



BANK OF FINLAND

MONTHLY BULLETIN

Vol. XXI. Nos. 4—6

APRIL—JUNE

1947

THE FINNISH MARKET REVIEW.

THE MONEY MARKET.

There has been no material change in the situation on the money market since the previous review. The demand for credits remained very active and could be met by the banks to a limited extent only. Partly their ability to grant credits has been reduced as the depository movement declined late in the spring. April was already much weaker than March, but the development was particularly unfavourable in June. The decision of the Bank of Finland to raise its discount rate, and its more rigid credit policy confirm the impression that the money market is tightening.

In March the deposit accounts of the public increased by 1,585 million marks in all credit institutions, which was about 600 million more than in March last year. In April the increase was 688 million marks and in June 206 million only. In January—June deposits increased by 3,993 million marks this year the increase having been 2,519 million marks one year earlier. Also the statements of the *Commercial Banks* show a considerable reduction in the depository movement. The accumulation of deposits proper declined from 673 million marks in March to 165 million in April and further to 11 million only in June. Yet, thanks to the favourable conditions in the beginning of the year the depository movement was much more active in January—June this year than last year, the figures being 1,402 and 713 million

marks. Cheque accounts have differed from deposit accounts in that they decreased in the beginning of the year and later substantially increased. In May they increased by as much as 527 million marks and in June by 273.

The demand for credits from the credit institutions has remained highly active. In addition to the financing of business enterprises, the first part of the Capital Levy falling due in May and the high taxes in general, as well as raised wages and other costs have increased the need of credits. Yet the weakened position of the banks and the restrictive stipulations regarding the granting of credits have made it necessary to reject a large part of the applications for credit. In January—June the credits granted by the Commercial Banks to the public increased by 5,300 million marks as against 6,791 million last year. Most of the credits granted by the Commercial Banks or 4,494 million marks consisted of bill credits.

The weakness of home deposits as compared with the great demand for credits has constantly forced the credit institutions to have recourse to the central bank. In April the amount of the bills re-discounted stayed fairly low, but it rose sharply in May and reached its maximum in the second week of that month, the Bank of Finland then holding close on 3,000 million marks' worth of these bills. After that their amount continually decreased as the banks were able to shorten their debt. By the

beginning of June re-discounts were cut down below 2,000 million marks and totalled 1,909 million at the end of June.

As to other credits granted by the *Bank of Finland*, special attention is claimed by the great increase in those granted to business enterprises throughout the spring. Bill credits granted to others than the State had reached 8,411 million marks at the end of 1946 and increased by a further 2,878 million by the end of June. The increase was partly seasonal, credits being generally greatest before the export season starts, but it chiefly indicates the uncommonly great need of business enterprises for credits. The amount of Treasury bills, after increasing substantially in March—April and reaching 20,300 million marks at the end of April as against 17,920 million at the beginning of the year, declined to 17,300 million by June 7th and was 18,400 million at the end of June. The increase in total credits granted by the Bank of Finland and the recent need of cash has occasioned a great increase in the note circulation. Up to now the highest point recorded has been 22,746 million marks on July 15th.

The intention of the Bank of Finland of tightening its credit policy is illustrated by the raised discount rate and by the proposition made by the Board of Management to the Bank Supervisors. It aims at a change in the Regulations of the Bank, whereby the note circulation (including sight liabilities) should not be allowed to surpass a certain limit and the Bank's right of granting credits to the State and to private enterprises should be limited.

PRICES.

After a fairly long quiet period price indices again began to rise more rapidly in the course of the Spring. The cost of living index (August 1938—July 1939 = 100) has risen from 468 points in December 1946 to 567 in June or by 21.2 per cent while the corresponding increase was only

11.4 per cent in the same months last year. The wholesale price index (1935 = 100) has risen less, from 725 in December to 781 in June or by 7.7 per cent. The rise in the indices, particularly in the cost of living index, was caused above all by some foodstuffs having been set free from rationing and does not mean any real increase in the cost of living. Yet, the price level has not been stabilized in the way set down in the special scheme adopted for stopping inflation. On the contrary the inflatory movement has got into a more serious phase than before, mostly because a general increase in wages was carried through in the beginning of June.

TRADE AND INDUSTRY.

The data available about industry in the second quarter of the current year show a further increase. Total production has reached about 86 per cent of its level in 1938. For home market industry the figure is higher, close on 90 per cent, but for export industry a little short of 80 per cent. A comparison of these figures with the corresponding figures for last year shows the extent of the increase in production. In the second quarter of 1946 total production was only 68 per cent of the pre-war level so that the increase was 26 per cent in one year.

Foreign trade has stayed favourable thanks to new trade agreements, new foreign credits and increased domestic production of export goods. Both imports and, still more, exports have been much larger than last year. Imports totalled 15,515 million marks in January—June as against 9,056 million in the same period of 1946. For free exports the figures were 15,462 and 7,391 million marks. The volume of foreign trade has also increased although less than its value. In addition reparation goods were delivered for 3,956 million marks this year, while their value was, together with restitution goods, 4,045 million marks one year earlier.

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STATISTICS.
1. — STATEMENT OF THE BANK OF FINLAND.

	1946 Mill. mk		1947 Mill. mk				
	31/5	31/12	31/1	28/2	31/3	30/4	31/5
ASSETS.							
I. Gold Reserve	1	2	2	2	2	2	2
Foreign Correspondents	604	1 915	2 350	2 391	3 116	1 931	1 893
II. Foreign Bills	93	175	224	289	345	291	363
Foreign Bank Notes and Coupons	9	14	11	12	9	14	10
Inland Bills	30 176	28 790	26 789	27 977	29 897	31 685	30 831
III. Loans on Security	175	63	24	24	24	24	24
Advances on Cash Credit	375	556	639	698	659	465	596
Bonds in Finnish Currency	322	257	243	241	237	235	232
» Foreign	243	203	193	192	176	176	176
Bank Premises and Furniture	33	32	32	32	32	32	32
Sundry Assets	599	1 480	1 262	1 142	1 079	761	769
Total	32 630	33 487	31 769	33 000	35 576	35 616	34 928
LIABILITIES.							
Notes in circulation	18 442	18 233	17 172	18 896	20 944	21 566	21 653
Other Liabilities payable on demand:							
Balance of Current Accounts due to the Treasury	—	599	160	—	—	556	—
» » » » » Others	1 047	1 481	1 087	789	1 550	798	1 221
Bank-Post-Bills	73	134	98	77	40	73	49
Foreign Correspondents	164	185	196	199	222	242	234
Foreign Clearing Accounts	6 798	7 414	7 386	7 407	7 099	6 594	5 882
Foreign Commercial Debt	43	—	—	—	—	—	—
Sundry Accounts	1 203	4	197	106	163	3	25
Capital	1 250	1 250	1 250	1 250	1 250	1 250	1 250
Reserve Fund	1 272	1 291	1 412	1 412	1 412	1 412	1 412
Bank Premises and Furniture	32	32	32	32	32	32	32
Earnings less Expenses	210	242	68	95	120	148	172
Undisposed Profits	18	—	121	21	21	21	21
Sundry Liabilities	2 078	2 622	2 590	2 716	2 723	2 921	2 977
Total	32 630	33 487	31 769	33 000	35 576	35 616	34 928

2. — NOTE ISSUE OF THE BANK OF FINLAND.

	1946 Mill. mk		1947 Mill. mk				
	31/5	31/12	31/1	28/2	31/3	30/4	31/5
RIGHT TO ISSUE NOTES.							
Gold Reserve and Foreign Correspondents	605	1 917	2 352	2 393	3 118	1 933	1 895
According to Law of Dec. 13, 1939 ¹⁾	30 278	28 979	27 024	28 278	30 251	31 990	31 204
Additional Right of Issue	1 800	1 800	1 800	1 800	1 800	1 800	1 800
Total	32 683	32 696	31 176	32 471	35 169	35 723	34 899
AMOUNT OF ISSUE USED.							
Notes in circulation	18 442	18 233	17 172	18 896	20 944	21 566	21 653
Other Liabilities payable on demand	9 328	9 817	9 124	8 578	9 074	8 266	7 411
Undrawn Amount of Advances on Cash Credit	312	401	319	260	299	504	372
Total	28 082	28 451	26 615	27 734	30 317	30 336	29 436
NOTE RESERVE	4 601	4 245	4 561	4 737	4 852	5 387	5 463
Grand total	32 683	32 696	31 176	32 471	35 169	35 723	34 899

¹⁾ Bills payable abroad in foreign currency, foreign bonds listed on foreign Stock Exchanges, interest coupons in foreign currency which have fallen due for payment, foreign bank notes, and inland bills falling due not later than within three months' time.

Bank Rate since June 6, 1947, 4 ½ 0/0

3. — BANK OF FINLAND. NOTES IN CIRCULATION, FOREIGN CORRESPONDENTS AND COVER FOR THE ISSUE OF NOTES.

End of Month	Notes in Circulation Mill. mk				Foreign Correspondents ¹⁾ Mill. mk				Cover for the Issue of Notes Percentage of Liabilities payable on demand				End of Month	
	1945	1946	1947	Monthly Movement	1945	1946	1947	Monthly Movement	1945	1946	1947	Monthly Movement		
Jan.	[15 657]				[350]				[99.40]					Jan.
Febr.	15 027	15 580	17 172	-1 061	349	1 611	2 350	+ 435	112.81	112.10	110.38	+1.79	Febr.	
March	15 255	15 631	18 896	+1 724	324	1 883	2 391	+ 41	111.71	112.75	110.59	+0.21	March	
April	16 146	17 323	20 944	+2 048	337	1 216	3 116	+ 725	110.54	113.10	110.07	-0.52	April	
May	16 768	18 534	21 566	+ 622	338	1 038	1 931	-1 185	110.71	111.95	111.82	+1.75	May	
June	17 055	18 442	21 653	+ 87	339	604	1 893	- 38	109.58	109.97	112.44	+0.62	June	
July	16 971	17 657	22 415	+ 762	334	848	1 157	- 736	110.74	109.73	112.18	-0.26	July	
Aug.	17 688	17 269			270	775			112.43	108.35			Aug.	
Sept.	18 872	17 986			309	1 365			107.71	109.11			Sept.	
Oct.	18 113	19 076			346	1 586			111.15	110.27			Oct.	
Nov.	17 259	19 667			430	1 475			109.92	109.92			Nov.	
Dec.	17 414	19 492			193	1 977			107.75	110.82			Dec.	
	13 598	18 233			1 283	1 915			115.46	108.59				

¹⁾ Credit balances with foreign correspondents.

4. — BANK OF FINLAND. NOTE RESERVE, HOME LOANS AND RE-DISCOUNTED BILLS.

End of Month	Note Reserve Mill. mk.				Home Loans ¹⁾ Mill. mk.				Re-discounted Bills (included in Home Loans) Mill. mk.				End of Month	
	1945	1946	1947	Monthly Movement	1945	1946	1947	Monthly Movement	1945	1946	1947	Monthly Movement		
Jan.	[1 677]				[19976]				[50]					Jan.
Febr.	4 011	4 379	4 561	+316	19 023	22 151	27 452	-1 957	—	—	968	-1 490	Febr.	
March	3 852	4 461	4 737	+176	19 160	21 794	28 699	+1 247	—	625	2 474	+1 506	March	
April	3 768	4 731	4 852	+115	20 213	24 433	30 580	+1 881	—	949	1 352	-1 122	April	
May	3 846	4 637	5 387	+535	20 710	26 429	32 174	+1 594	40	934	998	- 354	May	
June	3 676	4 601	5 463	+ 76	21 050	30 726	31 451	- 723	80	2 481	2 257	+1 259	June	
July	3 893	4 685	5 397	- 66	21 133	32 283	32 163	+ 712	—	2 874	1 909	- 348	July	
Aug.	4 335	4 336			22 535	32 837			—	1 646			Aug.	
Sept.	3 465	4 617			22 852	32 920			100	2 156			Sept.	
Oct.	4 248	4 989			23 966	33 043			—	1 679			Oct.	
Nov.	3 946	4 777			23 229	31 845			—	1 048			Nov.	
Dec.	3 569	4 839			24 270	30 312			—	1 959			Dec.	
	5 018	4 245			22 397	29 409			—	2 458				

¹⁾ Inland bills, loans on security and advances on cash credit.

5. — BANK OF FINLAND. TREASURY BILLS AND BALANCES OF CURRENT ACCOUNTS

End of Month	Treasury Bills (included in Home Loans) Mill. mk.				Balance of Current Accounts due to the Treasury Mill. mk.				Balance of Current Accounts due to others than the Treasury Mill. mk.				End of Month	
	1945	1946	1947	Monthly Movement	1945	1946	1947	Monthly Movement	1945	1946	1947	Monthly Movement		
Jan.	[17 750]				[222]				[721]					Jan.
Febr.	16 500	17 950	18 000	+ 80	- 75	- 213	160	-439	635	888	1 087	-394	Febr.	
March	16 500	16 450	16 950	-1 050	-319	- 69	-567	-727	605	743	789	-298	March	
April	17 700	18 150	19 300	+2 350	-343	69	-153	+414	722	654	1 550	+761	April	
May	17 700	19 550	20 300	+1 000	-295	94	556	+709	655	1 063	798	-752	May	
June	17 700	21 750	17 500	-2 800	-541	-139	- 17	-573	876	1 047	1 221	+423	June	
July	17 700	22 500	18 400	+ 900	-419	64	144	+161	851	860	853	-368	July	
Aug.	19 000	23 900			- 14	195			687	855			Aug.	
Sept.	19 000	23 500			-759	-146			382	973			Sept.	
Oct.	20 100	24 300			143	39			1 034	1 036			Oct.	
Nov.	19 400	23 520			-125	147			1 218	1 427			Nov.	
Dec.	20 500	20 370			-416	246			1 368	683			Dec.	
	18 600	17 920			149	599			2 685	1 481				

The figures in brackets [] indicate the position at the end of the previous year.

6. — RATES OF EXCHANGE QUOTED BY THE BANK OF FINLAND.

	1939	1945	1946	1946	1946	1946	1946	1947
	31/12	31/12; 1946 31/1	28/2—30/4	31/5	30/6	31/7	31/8—31/12	31/1—30/6
New York	49: 35	136:—	136:—	136:—	136:—	136:—	136:—	136:—
London	197:—	547:—	547:—	547:—	547:—	547:—	547:—	547:—
Stockholm	1 171:—	3 230:—	3 230:—	3 230:—	3 230:—	3 790:—	3 790:—	3 790:—
Berlin	1 982:—	—	—	—	—	—	—	—
Paris	113: 50	115:—	114:—	114:—	114:—	114:—	114:—	114:—
Brussels	836:—	310:—	310:—	310:—	310:—	310:—	310:—	310:—
Amsterdam	2 650:—	—	—	—	5 120:—	5 120:—	5 120:—	5 120:—
Basle	1 123:—	3 175:—	3 175:—	3 175:—	3 175:—	3 175:—	3 175:—	3 175:—
Oslo	1 127:—	2 750:—	2 750:—	2 745:—	2 745:—	2 745:—	2 745:—	2 745:—
Copenhagen	954:—	2 830:—	2 830:—	2 830:—	2 830:—	2 830:—	2 830:—	2 830:—
Prague	—	—	—	—	275:—	275:—	275:—	275:—
Rome	260:—	—	—	—	—	—	—	—
Madrid	¹⁾ 540:—	—	—	—	—	—	—	—
Montreal	45:25	124:—	124:—	124:—	124:—	135: 50	135: 50	135: 50
Lisbon	—	560:—	560:—	560:—	560:—	560:—	560:—	560:—
Rio de Janeiro	—	—	760:—	760:—	760:—	740:—	765:—	765:—

¹⁾ Nominal rate.

7. — COMMERCIAL BANKS. HOME DEPOSITS AND CREDITS FROM THE BANK OF FINLAND.

End of Month	Due to the Public				Due to other Credit Institutions		Total			Monthly Movement	Credits from the Bank of Finland		End of Month
	Cheque Accounts Mill. mk		Deposits Mill. mk		Mill. mk		Mill. mk				Mill. mk		
	1946	1947	1946	1947	1946	1947	1945	1946	1947	1947	1946	1947	
	[11 566]		[16 558]		[7 184]		[26 070]				[—]		
Jan.	10 246	13 641	16 508	17 912	6 977	4 055	26 191	33 731	35 608	+ 178	—	722	Jan.
Febr.	9 911	12 507	16 593	18 101	6 329	3 990	26 445	32 833	34 598	—1 010	797	2 438	Febr.
March	9 951	13 301	16 938	18 774	6 425	5 062	27 150	33 314	37 137	+2 539	1 071	1 476	March
April	11 216	13 857	16 969	18 939	5 891	5 515	26 972	34 076	38 311	+1 174	1 066	1 159	April
May	11 009	14 384	17 047	18 955	5 681	5 625	27 400	33 737	38 964	+ 653	2 607	2 257	May
June	11 173	14 657	17 271	18 966	5 231	5 480	28 306	33 675	39 103	+ 139	3 158	1 908	June
July	11 740		17 234		5 034		28 344	34 008			1 930		July
Aug.	11 998		17 286		4 788		28 035	34 072			2 312		Aug.
Sept.	12 684		17 249		4 555		30 839	34 488			1 703		Sept.
Oct.	14 005		17 185		4 241		32 148	35 431			705		Oct.
Nov.	13 612		17 013		3 813		32 462	34 438			1 639		Nov.
Dec.	13 695		17 564		4 171		35 308	35 430			2 896		Dec.

Tables 7—9 according to Finnish Official Statistics VII, D, Bank Statistics. Mortgage banks are not included.

8. — COMMERCIAL BANKS. HOME LOANS.

End of Month	To the Public				To other Credit Institutions		Total			Monthly Movement		End of Month
	Inland Bills Mill. mk		Other Credits Mill. mk		Mill. mk		Mill. mk					
	1946	1947	1946	1947	1946	1947	1945	1946	1947	1946	1947	
	[7 248]		[14 081]		[964]		[16 822]					
Jan.	8 122	10 345	15 330	19 092	979	658	16 951	24 431	30 095	+2 138	+ 566	Jan.
Febr.	7 839	10 818	15 992	19 418	873	614	17 120	24 704	30 850	+ 273	+ 755	Febr.
March	8 435	11 984	16 676	19 280	904	873	17 642	26 015	32 137	+1 311	+1 287	March
April	9 009	13 707	17 194	19 515	972	942	18 148	27 175	34 164	+1 160	+2 027	April
May	9 834	14 639	17 702	19 487	1 040	1 086	18 674	28 576	35 212	+1 401	+1 048	May
June	10 113	14 670	18 007	19 404	939	971	19 134	29 059	35 045	+ 483	— 167	June
July	9 737		18 382		928		20 567	29 047		— 12		July
Aug.	9 593		18 267		761		20 403	28 621		— 426		Aug.
Sept.	9 560		18 153		704		21 631	28 417		— 204		Sept.
Oct.	9 641		18 604		658		22 935	28 903		+ 486		Oct.
Nov.	9 711		18 876		658		22 600	29 245		+ 342		Nov.
Dec.	10 176		18 598		755		22 293	29 529		+ 284		Dec.

The figures in brackets [] indicate the position at the end of the previous year.

9. — COMMERCIAL BANKS. POSITION TOWARDS FOREIGN COUNTRIES.

End of Month	Claims ¹⁾ Mill. mk				Indebtedness ²⁾ Mill. mk				Net Claims (+) or Net Indebtedness (-) Mill. mk				Monthly Movement		End of Month	
	1944	1945	1946	1947	1944	1945	1946	1947	1944	1945	1946	1947	1946	1947		
Jan.	[140]				[352]				[-212]							
Jan.	141	125	342	2 501	373	251	355	2 299	-232	-126	- 13	+202	- 46	-154	Jan.	
Febr.	134	103	473	2 397	390	255	357	2 092	-256	-152	+116	+305	+129	+103	Febr.	
March	128	84	662	2 322	320	263	720	2 224	-192	-179	- 58	+ 98	-174	-207	March	
April	131	86	696	2 351	324	276	819	2 309	-193	-190	-123	+ 42	- 65	- 56	April	
May	133	91	781	2 588	356	274	982	2 450	-223	-183	-201	+138	- 78	+ 96	May	
June	133	95	796	2 815	385	283	999	2 474	-252	-188	-203	+341	- 2	+203	June	
July	137	86	672		518	296	868		-381	-210	-196		+ 7		July	
Aug.	127	98	673		461	292	860		-334	-194	-187		+ 9		Aug.	
Sept.	125	104	859		425	301	911		-300	-197	- 52		+135		Sept.	
Oct.	124	176	1 169		438	313	919		-314	-137	+250		+302		Oct.	
Nov.	123	232	1 090		247	317	932		-124	- 85	+158		- 92		Nov.	
Dec.	125	385	2 460		247	352	2 104		-122	+ 33	+356		+198		Dec.	

¹⁾ Credit balances with foreign correspondents and foreign bills. — ²⁾ Due to foreign correspondents.

10. — FOREIGN PAYMENT POSITION OF ALL BANKS.¹⁾

End of Month	Net Claims (+) or Net Indebtedness (-) Mill. mk				Monthly Movement	
	1944	1945	1946	1947	1946	1947
Jan.	[-3700]					
Jan.	-3 488	- 822	-1 166	-4 806	+ 390	+347
Febr.	-3 273	- 875	- 398	-4 621	+ 768	+185
March	-2 624	- 991	-1 289	-3 762	- 891	+859
April	-2 162	- 951	-1 487	-4 572	- 198	-810
May	-1 715	- 887	-6 509	-3 722	-5 022	+850
June	-1 206	- 929	-8 486	-3 360	-1 977	-362
July	-1 107	-1 332	-9 289		- 803	
Aug.	- 967	-1 379	-8 620		+ 669	
Sept.	- 982	-1 507	-7 439		+1 181	
Oct.	-1 095	-1 624	-6 350		+1 089	
Nov.	- 814	-2 543	-5 595		+ 755	
Dec.	- 813	-1 566	-5 153		+ 442	

¹⁾ For the Bank of Finland the net result of the debit and credit accounts with foreign correspondents, foreign clearing transactions and foreign commercial debt as well as foreign bills are taken into account, and for the Commercial Banks their net position is taken into account according to table 9 above.

²⁾ According to figures supplied by the Post Office Savings Bank.

11. — DEPOSITS IN POST OFFICE SAVINGS BANK.²⁾

End of Month	Deposits Mill. mk				Monthly Movement		End of Month
	1944	1945	1946	1947	1946	1947	
Jan.	[1949]						
Jan.	2 103	3 355	5 319	7 365	- 98	+152	Jan.
Febr.	2 173	3 337	5 370	7 481	+ 51	+116	Febr.
March	2 305	3 342	5 589	7 574	+219	+ 93	March
April	2 472	3 413	5 712	7 527	+123	- 47	April
May	2 552	3 749	5 784	7 609	+ 72	+ 82	May
June	2 589	4 112	5 846	7 692	+ 62	+ 83	June
July	2 661	4 139	5 940		+ 94		July
Aug.	2 735	4 130	6 488		+548		Aug.
Sept.	2 777	4 494	6 647		+159		Sept.
Oct.	2 878	4 681	6 777		+130		Oct.
Nov.	2 857	4 784	6 845		+ 68		Nov.
Dec.	3 170	5 417	7 213		+368		Dec.

12. — DEPOSITS IN THE SAVINGS BANKS.

End of Month	Savings Accounts Mill. mk			Current Accounts Mill. mk			Total Mill. mk				Monthly Movement		End of Month	
	1945	1946	1947	1945	1946	1947	1944	1945	1946	1947	1946	1947		
Jan.	[12 928]			[7 69]			[11 510]							
Jan.	13 258	17 465	19 637*	746	916	1 228*	11 687	14 004	18 381	20 865*	-449	+ 84*	Jan.	
Febr.	13 455	17 603	19 834*	761	923	1 263*	11 839	14 216	18 526	21 097*	+145	+232*	Febr.	
March	13 532	17 770	20 203*	779	981	1 426*	12 068	14 311	18 751	21 629*	+225	+532*	March	
April	13 577	17 896	20 530*	757	1 050	1 624*	12 185	14 334	18 946	22 154*	+195	+525*	April	
May	13 753	17 884	20 681*	800	1 156	1 654*	12 435	14 553	19 040	22 335*	+ 94	+181*	May	
June	14 160	18 303	20 763*	844	1 262	1 669*	12 714	15 004	19 565	22 432*	+525	+ 97*	June	
July	14 318	18 431		868	1 260		12 880	15 186	19 691		+126		July	
Aug.	14 456	18 586		945	1 353		13 169	15 401	19 939		+248		Aug.	
Sept.	15 277	18 628		1 017	1 409		13 352	16 294	20 087		+ 98		Sept.	
Oct.	15 807	18 562		1 024	1 363		13 569	16 831	19 925		-112		Oct.	
Nov.	16 167	18 593		1 034	1 334		13 701	17 201	19 927		+ 2		Nov.	
Dec.	17 583	19 461		1 247	1 320		13 697	18 830	20 781		+854		Dec.	

According to figures supplied by the Central Statistical Office.

The figures in brackets [] indicate the position at the end of the previous year.

* Preliminary figures subject to minor alterations.

13. — DEPOSITS IN CO-OPERATIVE CREDIT SOCIETIES AND CONSUMERS' CO-OPERATIVE SOCIETIES.

End of Month	Deposits in Co-operative Credit Societies ¹⁾				Monthly Movement		Deposits in Consumers' Co-operative Societies ²⁾				Monthly Movement		End of Month
	Mill. mk				1946	1947	Mill. mk				1946	1947	
	1944	1945	1946	1947			1944	1945	1946	1947			
	[3434]						[1 039]						
Jan.	3 482	4 602	6 757	8 399	-169	- 18	1 087	1 318	2 031	2 315	- 5	+53	Jan.
Febr.	3 583	4 661	6 838	8 433	+ 81	+ 94	1 108	1 341	2 053	2 354	+ 22	+39	Febr.
March	3 781	4 804	7 118	8 962	+280	+529	1 132	1 354	2 085	2 414	+ 32	+60	March
April	3 888	4 842	7 304	9 292	+186	+330	1 151	1 363	2 112	2 459	+ 27	+45	April
May	4 005	4 978	7 405	9 407	+101	+115	1 171	1 388	2 112	2 473	- 0	+14	May
June	4 110	5 150	7 534	9 604	+129	+197	1 188	1 429	2 138	2 521	+ 26	+48	June
July	4 187	5 246	7 606		+ 72		1 193	1 447	2 132		- 6		July
Aug.	4 310	5 332	7 789		+133		1 209	1 465	2 127		- 5		Aug.
Sept.	4 374	5 657	7 869		+130		1 216	1 599	2 126		- 1		Sept.
Oct.	4 447	5 901	7 883		+ 14		1 232	1 690	2 130		+ 4		Oct.
Nov.	4 453	6 061	7 871		- 12		1 244	1 755	2 145		+ 15		Nov.
Dec.	4 507	6 926	8 357		+486		1 268	2 036	2 262		+117		Dec.

¹⁾ Figures supplied by the Central Bank for Co-operative Credit Societies. — ²⁾ According to data supplied by the Finnish Co-operative Wholesale Society and the Co-operative Wholesale Association.

14. — DEPOSITS IN ALL CREDIT INSTITUTIONS.¹⁾

End of Month	Total Deposits due to the Public				Monthly Movement	
	Mill. mk				1946	1947
	1944	1945	1946	1947		
	[36 569]					
Jan.	36 741	45 061	59 332	70 534*	-2 085	+ 551*
Febr.	37 155	45 586	59 378	70 066*	+ 46	- 468*
March	39 065	46 263	60 517	72 866*	+1 139	+2 800*
April	39 579	46 420	62 351	74 405*	+1 834	+1 539*
May	40 596	47 396	62 475	75 290*	+ 124	+ 885*
June	41 924	49 098	63 601	76 046*	+1 126	+ 756*
July	42 539	49 067	64 423		+ 822	
Aug.	43 883	49 285	65 664		+1 241	
Sept.	44 452	52 835	66 716		+1 052	
Oct.	45 266	54 874	67 988		+1 272	
Nov.	45 535	56 186	67 504		- 484	
Dec.	44 535	61 417	69 983		+2 479	

¹⁾ Commercial Banks, Post Office Savings Bank, Savings Banks, Co-operative Credit Societies, Central Bank for Co-operative Credit Societies, Consumers' Co-operative Credit Societies, and Mortgage Banks.

15. — INSURANCES IN LIFE ASSURANCE COMPANIES.

End of Month	New risks accepted ¹⁾			
	1946		1947	
	Number	Amount Mill. mk	Number	Amount Mill. mk
	14 933	689	14 135*	834*
Jan.	17 956	847	15 919*	981*
Febr.	19 586	919	18 070*	1 133*
March	18 290	881	15 669*	1 011*
April	18 045	925	14 406*	944*
May	14 759	758	14 718*	983*
June	11 645	611		
July	13 222	705		
Aug.	14 264	801		
September	17 262	997		
October	17 497	1 025		
November	21 688	1 348		
December				
	199 147	10 506	92 917*	5 886*
	103 569	5 019		
				Total
				Jan.—June

¹⁾ According to information supplied by the Finnish Life Assurance Companies.

16. — CHANGES IN NUMBER AND CAPITAL OF LIMITED COMPANIES.

Year and Quarter	Companies founded		Companies with increased Capital		Companies liquidated		Companies with reduced Capital		Net increase (+) or reduction (-)		Year and Quarter
	Number	Capital Mill. mk	Number	Increase of Capital Mill. mk	Number	Capital Mill. mk	Number	Reduction of Capital Mill. mk	Number	Capital Mill. mk	
1943	866	573	541	1 250	193	134	6	9	+ 673	+1 680	1943
1944	523	238	316	633	176	128	2	1	+ 347	+ 742	1944
1945	1 485	797	428	511	120	111	4	34	+1 365	+1 163	1945
1946	1 355	649	956	3 764	110	51	8	7	+1 245	+4 355	1946
1946											1946
Jan.—March	392	195	150	183	36	13	3	1	+ 356	+ 364	Jan.—March
April—June	338	140	152	372	29	16	1	0	+ 309	+ 496	April—June
July—Sept.	268	106	182	401	24	6	1	4	+ 244	+ 497	July—Sept.
Oct.—Dec.	357	208	472	2 808	21	16	3	2	+ 336	+2 998	Oct.—Dec.
1947											1947
Jan.—March	289	175	244	544	24	17	1	2	+ 265	+ 700	Jan.—March

Figures supplied by the Central Statistical Office.

The figures in brackets [] indicate the position at the end of the previous year.

* Preliminary figures subject to minor alterations.

17. — BANKRUPTCIES.

Month	Bankruptcies ¹⁾					
	Number					
	1942	1943	1944	1945	1946	1947
January	12	15	7	10	13	15
February	6	8	10	7	8	12
March	13	8	4	6	10	6
April	10	10	12	3	7	
May	7	13	6	7	11	
June	6	9	2	12	6	
July	9	11	9	3	6	
August	7	4	12	8	6	
September	17	1	15	2	6	
October	9	7	10	11	17	
November	7	12	10	2	13	
December	14	11	8	8	5	
Total	117	109	105	79	108	
Jan.—March	31	31	21	23	31	33

¹⁾ Preliminary figures compiled by the Central Statistical Office from the reports sent in by the various Courts including all bankruptcy petitions, of which only about half will lead in due course to actual bankruptcy.

18. — STOCK EXCHANGE.

Month	Turnover of Stock Exchange ¹⁾					
	Mill. mk					
	1942	1943	1944	1945	1946	1947
January	40	24	30	29	54	83
February	51	26	38	41	75	84
March	88	29	44	117	65	70
April	75	34	27	108	57	82
May	75	48	41	81	144	106
June	20	30	49	129	87	75
July	19	28	31	114	59	
August	19	24	44	132	40	
September	28	59	51	219	87	
October	40	37	33	157	170	
November	29	40	53	94	206	
December	38	46	47	109	144	
Total	522	425	488	1 330	1 188	
Jan.—June	349	191	229	505	482	500

¹⁾ According to data supplied by the Stock Exchange Committee.

19. — STOCK EXCHANGE INDEX. 1935=100.

Month	Share Prices												Month
	All kinds				Bank Shares				Industrial Shares				
	1944	1945	1946	1947	1944	1945	1946	1947	1944	1945	1946	1947	
January	244	218	414	324	131	111	143	108	232	262	536	411	January
February	240	214	324	304	126	109	130	106	277	258	407	379	February
March	249	260	293	297	128	122	121	107	289	322	364	366	March
April	255	305	324	310	128	134	124	105	301	333	405	388	April
May	257	352	396	296	127	147	130	104	304	451	519	371	May
June	245	458	436	292	123	160	129	102	237	611	582	365	June
July	239	651	378		120	205	122		280	878	496		July
August	256	691	356		122	206	121		303	916	462		August
September	248	499	358		120	167	125		294	661	463		September
October	235	497	368		117	162	123		232	648	477		October
November	202	417	370		108	148	117		239	541	481		November
December	209	416	340		108	140	110		250	545	436		December
Whole year	240	415	363		121	134	125		232	540	469		Whole year

*Units: index based on the prices quoted for the shares of 3 banks and 10 industrial firms.

20. — PUBLIC DEBT.

End of Year and Month	According to the Finance Accounts (Mill. mk ¹⁾)									Mill. Dollars ²⁾	End of Year and Month
	Funded Debt			Short-term Credit			Total Public Debt				
	Foreign	Internal	Total	Foreign	Internal	Total	Foreign	Internal	Total		
1943	3 321	26 493	29 814	2 070	19 937	22 007	5 391	46 430	51 821	1 050	1943
1944	4 010	38 608	42 618	2 088	22 806	24 894	6 098	61 414	67 512	1 368	1944
1945	15 664	39 994	55 658	4 283	25 782	30 065	19 947	65 776	85 723	630	1945
1946	26 561	51 301	77 862	5 072	22 137	27 209	31 633	73 438	105 071	773	1946
1947											1947
January	27 519	52 994	80 513	5 076	19 860	24 936	32 595	72 854	105 449	775	January
February	27 656	54 310	81 966	5 075	18 873	23 948	32 731	73 183	105 914	779	February
March	29 551	54 303	83 854	5 064	21 502	26 566	34 615	75 805	110 420	812	March
April	29 809	55 054	84 863	5 067	22 052	27 119	34 876	77 106	111 982	823	April
May	30 211	55 567	85 778	5 068	19 450	24 518	35 279	75 017	110 296	811	May

¹⁾ According to data supplied by the Treasury. Internal loans are given at their nominal value and foreign loans in Finnish currency according to current rates of exchange. — ²⁾ The outstanding amounts of both internal and foreign loans have been converted into United States dollars at the Helsinki rates of exchange of the respective currencies.

21. — STATE REVENUE AND EXPENDITURE.

Year and Month	Total Revenue	Current Revenue ¹⁾ derived from							Capital Revenue	Expenditure			Year and Month
		Income and Property tax ²⁾	Excise on spirits, wines, etc.	Stamp duty	Sales tax	Interest and Dividends	Railways, Posts, Telegraphs ³⁾	State Forests ³⁾		Total	Current	Capital	
Mill. mk											Mill. mk		
1946													1946
Jan.-March	6 760	1 730	69	329	160	12	— 95	—457	880	9 650	8 380	1 270	Jan.-March
Whole year	104 345	19 482	435	1 375	13 536	5 736	249	909	37 945	100 106	76 159	23 947	Whole year
1947													1947
Jan.-March	9 395	433	61	456	330	18	60	—320	5 449	17 593	14 097	3 496	Jan.-March
1947													1947
Budget	62 558	15 650	354	1 000	11 000	6 834	648	881	13 241	62 532	47 169	15 363	Budget

Tables 21-23 according to preliminary monthly accounts kept by the Treasury, the Customs and the Board of Excise Revenue.
¹⁾ The current revenue derived from Customs duty, and some other State receipts are specified in tables 22 and 23 below. — ²⁾ Including special and supplementary taxes on income and property but not the Capital Levy nor the surplus income tax and inheritance tax. — ³⁾ The figures given refer to net revenue.

22. — COLLECTION OF CUSTOMS.

Year and Month	Total Customs Receipts	Customs duty on		Fines, Light Dues, etc.
		Imported goods incl. storage charges	Exported goods	
Mill. mk				
1946				
Jan.-May	951	934	0	16
Whole year	2 531	2 470	0	61
1947				
Jan.-May	1 504	1 481	0	23
1947				
Budget	3 522	3 500	1	21

23. — COLLECTION OF EXCISE DUES.

Year and Month	Total Excise Dues	Excise on			
		Tobacco	Spirits	Beer	Matches
Mill. mk					
1946					
Jan.-March	796	618	35	33	75
Whole year	4 430	3 472	198	237	245
1947					
Jan.-March	1 086	903	32	29	56
1947					
Budget	4 314	3 500	174	180	250

24. — VALUE OF IMPORTS AND EXPORTS.

Month	Imports (i. i. f.) Mill. mk			Exports (i. o. b., free exports) Mill. mk			Surplus of Imports (—) or Exports (+) Mill. mk			Month
	1945	1946	1947	1945	1946	1947	1945	1946	1947	
January	391	944	2 825*	31	957	1 961*	— 360	+ 13	— 864*	January
February	339	884	2 304*	15	681	1 170*	— 324	— 203	— 1 134*	February
March	332	1 330	1 138*	31	1 013	783*	— 301	— 317	— 355*	March
April	368	1 388	1 464*	46	1 067	2 108*	— 322	— 321	+ 644*	April
May	429	1 999	3 845*	67	1 708	4 855*	— 362	— 291	+ 1 010*	May
June	349	2 511	3 939*	127	1 965	4 585*	— 222	— 546	+ 646*	June
July	311	2 988		248	2 068		— 63	— 920		July
August	662	2 729		550	2 505		— 112	— 224		August
September	512	2 391		730	2 379		+ 218	— 12		September
October	685	2 316		1 055	3 240		+ 370	+ 924		October
November	812	2 269		988	2 907		+ 176	+ 638		November
December	1 631	2 525		1 340	2 561		— 291	+ 36		December
Total	6 821	24 274		5 228	23 051		— 1 593	— 1 223		Total
Jan.—June	2 208	9 056	15 515*	317	7 391	15 462*	— 1 891	— 1 665	— 53*	Jan.—June

Tables 24-29 according to Finnish Official Statistics I, A, Foreign Trade of Finland, Monthly Reports.
 The term *imports* covers all imported goods which are placed on the market either immediately after importation or after storage. *Exports* covers all goods exported from the open market, including re-exports. Goods are declared to the Customs by their owner, who must at the same time state the value of the goods as calculated at the frontiers of the country.

* Preliminary figures subject to minor alterations.

25. — VALUE OF IMPORTS AND EXPORTS IN DIFFERENT CLASSES OF GOODS.

Classes of Goods	Imports (o. i. f.) Mill. mk					Exports (f. o. b.) Mill. mk				
	Whole year		Jan.—May			Whole year		Jan.—May		
	1945	1946	1945	1946	1947*	1945	1946	1945	1946	1947*
Dairy produce, eggs, honey	274	702	1	34	83	57	107	8	35	19
Other animal products, live animals	264	606	38	144	213	18	67	0	20	352
Vegetables	78	9	38	4	6	—	0	—	—	6
Eatable fruit	4	74	0	2	18	0	14	—	0	9
Coffee, tee, spices	13	171	0	91	123	—	—	—	—	—
Cereals, milling products ..	1 365	3 088	453	783	1 723	0	—	0	—	—
Certain seeds and fruit, plants for industrial purposes ..	46	153	22	113	165	2	29	0	20	5
Raw materials for tanning and dying	3	78	1	17	33	0	—	—	—	—
Animal and vegetable fats ..	269	333	99	146	388	—	0	—	0	0
Meat and fish products ...	81	62	3	18	41	—	0	—	—	—
Sugar, sweets	272	846	94	277	297	—	—	—	—	2
Beverages, vinegars	0	166	0	26	50	—	19	—	1	16
Fodder	2	143	2	102	0	0	0	—	0	—
Tobacco	195	415	58	180	246	—	—	—	—	—
Minerals, ore	207	864	35	278	218	85	76	42	20	26
Mineral fuel and oils	531	3 643	128	988	750	2	0	0	0	0
Chemical and pharmaceutical products	274	1 010	81	342	416	20	39	8	6	26
Tanning and dying extracts, varnishes	73	340	21	98	210	1	2	0	0	4
Caseine, albumine, glues ...	116	263	4	59	105	—	1	—	1	0
Fertilizers	157	854	66	163	427	0	—	—	—	—
Hides, skins, leather and furs; manufactures of these materials	45	215	24	62	241	0	97	0	5	131
Rubber and rubber articles	77	656	10	145	228	2	0	2	0	0
Wood and wooden goods ..	3	21	0	4	10	1 908	9 744	13	1 273	3 092
Woodpulp	4	1	4	1	9	1 217	4 285	—	1 437	2 723
Cardboard and paper; their applications	6	38	2	18	13	1 312	6 915	11	2 122	3 555
Textile materials, textile goods	567	1 719	175	432	1 414	206	646	30	196	335
Footwear	40	101	18	21	80	0	4	0	—	—
Articles of stone and of other mineral material, glass ..	48	222	11	65	84	62	204	11	71	119
Base metals; articles made therefrom	1 092	3 433	358	988	1 775	120	445	22	111	251
Machinery, apparatus	364	1 428	37	406	721	88	41	8	16	40
Electrical machinery and apparatus	123	535	15	161	338	23	46	4	15	32
Transport material	52	1 533	10	224	859	3	10	1	1	6
Instruments, clocks and watches, musical instruments	31	111	8	29	74	1	5	0	2	3
All others	145	441	43	124	217	101	255	30	74	127
Total free trade	6 821	24 274	1 859	6 545	11 575	5 228	23 051	190	5 426	10 879
Reparation deliveries						8 172	8 775	2 894	2 619	3 115
Restitution goods						1 284	655	109	655	—

* Preliminary figures subject to minor alterations.

26. — IMPORTS OF THE MOST IMPORTANT ARTICLES.

Month	Wheat Tons			Rye Tons			Sugar Refined and unrefined Tons			Month
	1945	1946	1947	1945	1946	1947	1945	1946	1947	
January	11 133	5 242	17 066*	12 764	22 724	14 341*	2 278	1 659	1 501*	January
February	7 326	4 764	—	5 839	2 403	12 817*	1 679	2 276	1 537*	February
March	11 378	3 953	7 774*	12 887	14 924	2 467*	1 563	2 161	1 431*	March
April	3 384	4 435	3 657*	12 994	1 049	18 239*	1 305	2 020	626*	April
May	2 221	0	12 700*	25 967	9 459	2 601*	538	1 963	2 529*	May
June	45	16 011	2 099*	16 632	40 308	9 333*	997	2 410	7 802*	June
July	1 270	17 454	—	12 732	21 047	—	1 910	4 892	—	July
August	—	30 274	—	19 175	15 312	—	1 355	3 690	—	August
September	3 450	12 735	—	5 748	19 861	—	795	3 112	—	September
October	6 645	1 551	—	2 200	8 329	—	1 361	3 531	—	October
November	6 370	—	—	5 910	213	—	389	3 656	—	November
December	16 504	—	—	17 015	—	—	1 992	1 128	—	December
Total	69 726	96 419	—	149 863	156 129	—	16 162	32 498	—	Total
Jan.—June	35 487	34 405	43 296*	87 083	90 867	59 798*	8 360	12 489	15 476*	Jan.—June

Month	Raw Tobacco Tons			Coal and Coke Tons			Petrol Tons			Month
	1945	1946	1947	1945	1946	1947	1945	1946	1947	
January	119	167	215*	36 322	19 422	40 833*	113	—	7 545*	January
February	108	142	205*	6 726	23 868	50 620*	177	191	7 404*	February
March	96	152	254*	3 012	46 747	5 018*	88	36	8 697*	March
April	93	166	232*	—	73 911	61*	228	386	9 989*	April
May	60	197	247*	—	38 959	24 555*	196	1 201	10 137*	May
June	96	144	245*	—	70 041	112 824*	208	4 122	12 854*	June
July	91	102	—	—	154 693	—	259	5 279	—	July
August	203	208	—	—	95 672	—	386	6 969	—	August
September	128	198	—	—	126 632	—	525	5 819	—	September
October	157	192	—	20 123	95 977	—	316	6 315	—	October
November	159	182	—	32 948	62 322	—	419	6 457	—	November
December	89	108	—	12 167	79 719	—	1 720	5 554	—	December
Total	1 399	1 958	—	111 298	937 963	—	4 635	42 329	—	Total
Jan.—June	572	968	1 398*	46 060	322 948	233 911*	1 010	5 936	56 626*	Jan.—June

Month	Raw Cotton Tons			Pig Iron Tons			Bar Iron and Bar Steel Tons			Month
	1945	1946	1947	1945	1946	1947	1945	1946	1947	
January	908	1 137	1 088*	—	101	10*	116	654	3 193*	January
February	692	441	3 430*	—	—	5*	826	1 825	3 789*	February
March	196	276	1 451*	—	150	20*	3 291	2 124	846*	March
April	314	1 402	—	—	660	100*	3 201	2 694	1 005*	April
May	286	423	1 871*	—	150	920*	2 414	4 467	7 890*	May
June	836	719	1 263*	—	220	270*	1 586	3 491	7 759*	June
July	257	502	—	150	69	—	691	6 531	—	July
August	278	2 583	—	99	100	—	1 169	3 320	—	August
September	367	118	—	125	—	—	1 156	4 218	—	September
October	646	647	—	—	471	—	1 295	4 173	—	October
November	556	203	—	227	65	—	952	7 100	—	November
December	543	67	—	100	242	—	605	4 152	—	December
Total	5 879	8 518	—	701	2 228	—	17 302	45 249	—	Total
Jan.—June	3 232	4 398	9 103*	—	1 281	1 325*	11 434	15 255	24 482*	Jan.—June

* Preliminary figures subject to minor alterations.

27. — EXPORTS OF THE MOST IMPORTANT ARTICLES.¹⁾

Month	Copper Ore Tons			Round Timber All kinds excl. fuel 1 000 m ³			Sawn Timber All kinds 1 000 standards			Month
	1945	1946	1947	1945	1946	1947	1945	1946	1947	
January	3 150	—	—	1	24	30*	—	2	16*	January
February	69	—	—	—	9	15*	0	0	5*	February
March	129	—	—	—	15	—	—	0	5*	March
April	3 367	—	—	0	26	1*	—	0	4*	April
May	100	—	—	0	74	33*	0	6	9*	May
June	97	—	—	1	88	118*	1	20	34*	June
July	153	—	—	1	153	—	3	31	—	July
August	45	—	—	14	258	—	6	34	—	August
September	54	—	—	35	187	—	14	43	—	September
October	158	—	—	138	235	—	34	64	—	October
November	118	—	—	63	149	—	16	48	—	November
December	249	—	—	26	121	—	22	30	—	December
Total	7 689	—	—	279	1 339	—	96	278	—	Total
Jan.—June	6 912	—	—	2	236	197*	1	28	73*	Jan.—June

1 standard sawn timber = 4.872 m³.

Month	Matches Tons			Plywood 1 000 m ³			Bobbins (spools) Tons			Month
	1945	1946	1947	1945	1946	1947	1945	1946	1947	
January	—	24	205*	0	2	8*	—	41	67*	January
February	—	78	114*	0	1	7*	—	65	46*	February
March	—	53	4*	1	10	1*	—	256	—	March
April	—	301	105*	0	9	10*	—	108	212*	April
May	—	126	424*	1	16	22*	—	212	511*	May
June	—	260	196*	1	12	20*	9	123	252*	June
July	—	148	—	1	8	—	—	212	—	July
August	—	180	—	2	9	—	—	86	—	August
September	89	154	—	5	10	—	—	162	—	September
October	116	278	—	7	14	—	3	146	—	October
November	72	114	—	5	9	—	45	158	—	November
December	72	87	—	6	10	—	55	217	—	December
Total	349	1 803	—	29	110	—	112	1 786	—	Total
Jan.—June	—	842	1 048*	3	50	68*	9	805	1 088*	Jan.—June

Month	Mechanical Pulp ²⁾ Tons			Sulphite Cellulose ²⁾ Tons			Sulphate Cellulose ²⁾ Tons			Month
	1945	1946	1947	1945	1946	1947	1945	1946	1947	
January	—	4 838	4 075*	—	14 419	19 410*	—	10 154	10 653*	January
February	—	1 697	1 162*	—	7 816	9 742*	—	7 785	8 591*	February
March	—	1 598	—	—	11 082	1 166*	—	8 170	1 806*	March
April	—	1 037	142*	—	15 897	10 328*	—	11 546	10 750*	April
May	—	7 221	13 011*	—	27 990	45 150*	—	24 109	35 379*	May
June	—	11 836	8 405*	178	23 778	34 597*	949	15 731	25 657*	June
July	4 017	10 090	—	7 412	11 798	—	6 125	15 082	—	July
August	9 674	11 190	—	9 721	17 309	—	9 684	22 642	—	August
September	2 739	4 053	—	3 209	10 823	—	9 121	12 521	—	September
October	2 062	5 304	—	9 275	19 880	—	5 930	15 916	—	October
November	4 742	4 187	—	18 699	19 562	—	18 735	16 965	—	November
December	15 611	3 207	—	16 242	22 211	—	9 633	20 327	—	December
Total	38 845	66 258	—	64 736	202 565	—	60 177	180 948	—	Total
Jan.—June	—	28 227	26 795*	178	100 982	120 393*	949	77 495	92 836*	Jan.—June

¹⁾ Free exports. — ²⁾ Dry weight.

* Preliminary figures subject to minor alterations.

27. — EXPORTS OF THE MOST IMPORTANT ARTICLES. — Continued.

Month	Cardboard All Kinds Tons			Paper All Kinds Tons			Newsprint (included in previous column) Tons			Month
	1945	1946	1947	1945	1946	1947	1945	1946	1947	
January	—	5 834	7 891*	42	23 867	24 094*	—	16 551	12 880*	January
February	—	3 761	2 675*	40	14 376	9 300*	—	7 588	4 953*	February
March	—	9 870	812*	79	20 378	9 890*	—	13 321	7 270*	March
April	29	9 486	8 170*	65	20 783	24 521*	—	13 354	15 389*	April
May	—	7 056	16 957*	57	26 621	55 029*	—	16 496	32 863*	May
June	119	7 783	11 103*	5 360	29 129	43 875*	3 631	19 113	26 861*	June
July	486	8 214		7 467	29 463		6 280	19 667		July
August	2 833	9 425		13 022	29 125		7 879	20 925		August
September	2 212	7 105		15 055	27 526		10 610	17 864		September
October	4 613	8 123		12 814	33 035		7 769	20 953		October
November	3 863	6 889		11 236	33 568		6 999	22 120		November
December	11 393	8 187		17 304	29 762		12 422	19 559		December
Total	25 548	91 733		82 541	317 633		55 590	207 511		Total
Jan.—June	148	43 790	47 608*	5 643	135 154	166 709*	3 631	86 423	100 216*	Jan.—June

28. — FOREIGN TRADE WITH VARIOUS COUNTRIES.

Country	Imports (e. i. f.)					Exports (f. o. b., free exports)				
	Whole year		Jan.—May			Whole year		Jan.—May		
	1945	1946	1946	1947*	1945	1946	1946	1947*		
Europe:	%	%	%	Mill. mk	%	%	%	Mill. mk	%	%
Belgium	0.3	5.3	7.6	793	6.8	1.6	7.3	8.9	571	5.3
Bulgaria	0.6	0.1	0.2	7	0.1	—	0.0	—	1	0.0
Denmark	15.2	10.3	10.1	871	7.5	10.9	11.1	10.0	712	6.6
France	0.0	2.6	0.7	390	3.4	0.3	3.8	1.3	393	3.6
Germany	1.6	0.1	0.1	3	0.0	—	—	—	0	0.0
Great Britain	10.7	21.4	19.8	1 910	16.5	35.2	26.7	23.3	2 223	20.4
Greece	0.0	0.0	0.0	7	0.1	0.1	0.3	0.0	46	0.4
Holland	0.2	1.8	1.0	531	4.6	0.5	3.1	1.3	478	4.4
Hungary	0.0	0.0	0.0	1	0.0	—	—	—	0	0.0
Italy	0.0	0.0	0.0	27	0.2	0.0	0.3	0.0	214	2.0
Norway	0.3	2.7	5.0	406	3.5	0.2	2.4	3.2	271	2.5
Rumania	0.2	0.0	0.1	0	0.0	—	—	—	0	0.0
Soviet Union	19.0	21.4	27.2	1 569	13.6	29.6	20.1	29.1	2 266	20.8
Sweden	51.3	10.0	17.8	907	7.8	15.9	9.4	10.9	879	8.1
Switzerland	0.0	0.4	0.5	87	0.8	0.2	1.0	0.6	113	1.0
Spain	—	0.0	0.0	0	0.0	—	0.0	—	5	0.0
Turkey	0.4	0.4	0.3	82	0.7	0.6	0.0	0.1	44	0.4
Other European countries ..	0.2	0.5	0.0	218	1.9	0.2	1.3	0.6	186	1.7
Total for Europe	100.0	77.5	90.4	7 809	67.5	95.3	86.8	89.3	8 402	77.2
Asia	0.0	0.0	0.0	9	0.1	—	1.2	1.7	226	2.1
Africa	0.0	0.1	0.0	14	0.1	0.1	1.9	1.7	269	2.5
United States	0.0	19.5	5.0	2 996	25.9	1.9	6.9	4.8	1 283	11.8
Other States of North America	—	0.0	0.0	14	0.1	0.1	0.1	0.1	8	0.1
South America	0.0	2.9	4.6	732	6.3	2.6	3.0	2.3	639	5.8
Australia	—	0.0	0.0	1	0.0	—	0.1	0.1	52	0.5
Grand total	100.0	100.0	100.0	11 575	100.0	100.0	100.0	100.0	10 879	100.0

The country of import indicates the land in which goods were purchased, the country of export the land to which goods were sold.

* Preliminary figures subject to minor alterations.

29. — VALUE INDEX OF IMPORTS AND EXPORTS. 1935=100.

Year and Month	Total Imports	Groups of Imported Goods				Total Exports	Principal Exported Goods				Year and Month
		Raw materials	Machinery	Food-stuffs	Other consumption goods		Sawn timber	Mechanical pulp	Dry cellulose	Paper	
1943	420	457	346	486	324	304	277	271	320	311	1943
1944	457	468	360	560	400	323	292	309	337	314	1944
1945	709	729	798	713	447	452	433	597	436	445	1945
1946	896	888	883	947	846	799	802	835	700	777	1946
1946											1946
Jan.—May	832	806	715	967	873	690	685	612	643	661	Jan.—May
1947											1947
January	896	838	719	1 107	861	926	904	1 132	818	990	January
Jan.—Febr.	888	797	682	1 182	857	987	949	997	871	1 013	Jan.—Febr.
Jan.—March	920	761	841	1 229	901	983	958	997	900	980	Jan.—March
Jan.—April	944	782	914	1 216	909	1 037	998	1 014	974	1 005	Jan.—April
Jan.—May	929	856	854	1 142	885	1 073	1 024	1 119	1 028	1 023	Jan.—May

Calculated by the Statistical Dept. of the Board of Customs. For details concerning the calculation of the indices see article in this Bulletin No. 4, 1939.

30. — TOTAL SALES OF WHOLESALE FIRMS.

Month	Total Sales Mill. mk						Month
	1942	1943	1944	1945	1946	1947	
January	677	981	1 046	1 412	2 840	3 456	January
February	821	1 073	1 206	1 482	2 957	3 897	February
March	923	1 306	1 360	1 585	3 470	4 617	March
April	914	1 266	1 246	1 626	3 680	4 296	April
May	1 007	1 329	1 411	1 848	4 039	5 294	May
June	1 138	1 099	1 043	1 759	3 781		June
July	1 186	1 106	948	1 400	3 402		July
August	1 072	1 167	1 229	1 847	3 911		August
September	1 125	1 308	1 023	2 420	4 040		September
October	1 098	1 337	1 077	2 954	4 622		October
November	1 076	1 302	1 191	3 186	4 551		November
December	1 188	1 429	1 419	3 267	5 024		December
Total	12 225	14 703	14 199	24 786	46 267		Total
Jan.—May	4 342	5 955	6 269	7 953	16 986	21 560	Jan.—May

Calculated by the Unst. Suomi. The figures represent approximately 95% of the turnover of all wholesalers in Finland.

31. — INDEX OF INDUSTRIAL PRODUCTION. 1935=100.

Month	Home Industries					Exporting Industries					Month					
	Value index			Volume index		Volume index										
	1943	1944	1945	1946	1947	1943	1944	1945	1946	1947						
January	204	244	221	530	624	97	97	76	94	105	48	47	40	55	75	January
February	257	288	264	607	814			89	107	137	49	48	38	55	76	February
March	237	265	220	548	749	89	76	73	94	125	50	51	40	57	79	March
April	203	211	220	582	733			70	97	123	54	53	44	59	79	April
May	208	222	220	528	681	77	78	69	88	113	52	51	47	66	80	May
June	201	199	239	561	691			69	93	115	40	40	50	63	80	June
July	226	239	213	582		75	72	56	97		42	31	47	65		July
August	194	235	309	620				69	103		45	33	48	62		August
September	184	199	341	676		75	72	72	112		48	32	52	70		September
October	179	195	390	609				76	101		50	32	56	69		October
November	205	230	484	669		85	118	89	111		49	32	54	70		November
December	221	221	470	713				85	118		46	38	51	71		December
Whole year	208	225	303	607		82	80	76	102		48	40	47	64		Whole year

Unstas index based on seasonally adjusted monthly figures.

82. — BUILDING ACTIVITY.

Month	Consumption of Cement in Finland ¹⁾						Plans approved in the Capital ²⁾						Month
	1 000 tons						All buildings, 1 000 m ³						
	1942	1943	1944	1945	1946	1947	1942	1943	1944	1945	1946	1947	
January							92.2	7.1	0.6	64.7	105.6	39.2*	January
February	23	28	31	46	27	54	88.3	18.3	0.3	35.5	91.8	28.4*	February
March							3.9	—	25.6	71.9	39.2	37.5*	March
April	76	73	60	89	79		12.1	4.8	2.9	116.8	97.1	64.3*	April
May							72.4	196.6	8.1	229.7	54.5	67.6*	May
June							35.1	19.9	70.2	101.7	56.9		June
July	96	79	52	83	127		8.5	82.7	1.5	126.5	119.9		July
August							8.9	11.5	6.9	42.5	87.4		August
September	53	46	44	63	96		1.5	1.2	0.0	12.6	57.8		September
October							12.1	12.7	1.7	47.7	101.6		October
November							9.9	2.0	40.6	150.9	73.2		November
December							9.3	0.5	42.0	36.1	119.2		December
Total	248	226	187	281	329		354.2	357.3	200.4	1 036.6	1 004.2		Total
Jan.—March	23	28	31	46	27	54	268.9	226.8	37.5	518.6	388.2	237.0*	Jan.—May

¹⁾ Comprising the total quantity of cement delivered by the country's 2 cement factories and including the quantity imported which is, however, only a negligible part of the total consumption. — ²⁾ According to data compiled by the Municipal Building Surveyor's Office in Helsinki.

83. — FOREIGN SHIPPING.

Year and Month	Arrivals				Sailings				Year and Month
	Number of vessels		Net reg. tons		Number of vessels		Net reg. tons		
	Total	of which Finnish	Total	of which with Cargo	Total	of which Finnish	Total	of which with Cargo	
1944	1 659	1 053	1 272 138	937 883	1 639	1 038	1 268 918	979 070	1944
1945	1 360	768	930 358	384 412	1 412	810	973 256	823 805	1945
1946	3 024	1 557	2 338 761	1 482 639	3 020	1 571	2 332 110	1 844 150	1946
1946									1946
Jan.—May	629	396	494 239	397 196	612	402	463 999	332 466	Jan.—May
1947									1947
January	66	10	136 213	121 966	143	73	153 731	108 274	January
February	42	26	41 331	30 794	51	30	41 632	37 589	February
March	27	21	19 405	18 824	21	15	13 240	13 240	March
April	87	51	91 190	82 240	75	52	70 916	64 765	April
May	296	138	294 412	209 025	269	140	234 533	171 286	May
Jan.—May	518	246	582 551	462 849	559	310	514 052	395 154	Jan.—May

Figures supplied by the Statistical Office of the Shipping Board.

84. — STATE RAILWAYS.

Month	Weight of Goods transported				Axle-kilometres of Goods trucks		Revenue (less Re-imburements)				Regular Expenditure				Month
	1 000 Tons				Mill. km		Mill. mk				Mill. mk				
	1944	1945	1946	1947	1946	1947	1944	1945	1946	1947	1944	1945	1946	1947	
Jan.	714	752	995	1 144	62	70	136	189	414	477	178	197	495	480	Jan.
Febr.	673	703	855	1 022	56	62	134	162	370	443	209	230	509	557	Febr.
March	807	886	1 052	1 118	68	69	169	203	459	479	209	218	479	587	March
April	1 091	947	1 073	1 166	70	73	284	224	500	552	209	237	465	540	April
May	1 354	988	1 189	1 326	75	77	274	236	484	616	224	367	520	693	May
June	580	1 046	1 231		67		158	279	575		213	314	497		June
July	1 428	996	1 363		70		411	294	596		242	284	511		July
Aug.	1 150	1 079	1 391		72		236	377	600		210	376	558		Aug.
Sept.	666	971	1 261		70		282	331	528		211	548	582		Sept.
Oct.	2 139	986	1 375		74		290	347	513		202	488	512		Oct.
Nov.	671	1 036	1 182		69		210	333	515		213	538	627		Nov.
Dec.	878	1 212	1 094		67		470	492	532		368	696	731		Dec.
Total	12 151	11 602	14 061		520		3 054	3 467	6 086		2 688	4 493	6 486		Total
Jan.—May	4 639	4 276	5 164	5 776	331	351	997	1 014	2 227	2 567	1 029	1 249	2 468	2 857	Jan.—May

According to Monthly Statistics of the Finnish State Railways.

*Preliminary figures subject to minor alterations.

35. — WHOLESALE PRICE INDEX, 1935-100.

Month	Index for Goods in Finnish Wholesale trade														Articles of Export (f. o. b.)		Month	
	Total Index					Finnish Goods								Imported Goods				
						Total		Products of agriculture		Products of forestry		Products of industry						
	1943	1944	1945	1946	1947	1946	1947	1946	1947	1946	1947	1946	1947	1946	1947			
Jan.	263	293	322	614	721	615	666	616	655	771	901	565	593	595	860	723	1 027	Jan.
Febr.	263	295	326	619	726	621	673	629	681	775	903	568	596	597	860	735	1 040	Febr.
March	264	303	331	633	759	637	717	661	903	775	903	585	598	602	860	746	1 041	March
April	268	304	343	690	766	645	726	663	941	775	903	598	599	803	866	762	.	April
May	272	304	348	687	775	645	729	627	946	802	903	599	603	791	889	763	.	May
June	274	304	383	695	781	656	735	652	970	832	909	600	603	791	894	769	.	June
July	275	306	421	702		661		648		855		603		802		807		July
Aug.	282	308	489	708		668		663		871		603		807		820		Aug.
Sept.	284	309	515	716		670		660		887		603		830		827		Sept.
Oct.	286	309	577	720		672		664		891		603		840		884		Oct.
Nov.	290	310	596	720		673		671		891		603		837		885		Nov.
Dec.	291	314	607	725		672		667		891		603		859		883		Dec.
Whole year	276	305	438	686		653		652		834		594		763		800		Whole year

Calculated by the Central Statistical Office. For details concerning the calculation of the index see article in this Bulletin No. 4, 1939.

36. — COST OF LIVING INDEX.

Month	1935 = 100														Month			
	Aug. 1938— July 1939 = 100			Total Index				Foodstuffs		Rent		Fuel and light		Clothing		Taxes		
	1945	1946	1947	1944	1945	1946	1947	1946	1947	1946	1947	1946	1947	1946		1947	1946	1947
Jan.	204	423	471	216	222	461	513	505	556	144	144	855	968	479	554	652	786	Jan.
Febr.	204	423	482	217	222	460	525	499	579	144	144	856	968	497	556	652	786	Febr.
March	205	431	524	217	223	470	571	515	675	144	144	856	970	505	557	652	786	March
April	207	434	546	218	225	473	594	513	727	144	144	858	971	514	560	680	725	April
May	210	437	559	218	228	476	609	517	753	144	144	859	970	523	566	680	725	May
June	243	450	567	218	264	490	618	541	771	144	144	901	973	530	567	680	725	June
July	281	463		219	306	504		536		144		921		540		916		July
Aug.	313	466		219	341	507		536		144		939		548		916		Aug.
Sept.	325	469		220	354	511		541		144		943		557		916		Sept.
Oct.	387	469		221	422	511		537		144		960		562		916		Oct.
Nov.	398	467		221	434	508		531		144		968		565		916		Nov.
Dec.	404	468		221	440	509		533		144		968		568		916		Dec.
Whole year	282	450		219	307	490		525		144		907		532		791		Whole year

Calculated by the Research Office of the Ministry for Social Affairs according to monthly reports from 32 different centres. For details concerning the calculation of the cost of living index see article in this Bulletin No. 6, 1937.

37. — BANK OF FINLAND BUILDING COST INDEX, 1935-100.

Year	Total Index					Index of the Contractor					Index of Overhead Costs					Year
	I	II	III	IV	Aver.	I	II	III	IV	Aver.	I	II	III	IV	Aver.	
1937	.	.	.	.	120	.	.	.	.	120	.	.	.	.	115	1937
1938	.	.	.	.	127	.	.	.	.	127	.	.	.	.	121	1938
1939	129	130	134	141	134	130	130	134	141	134	124	124	128	134	128	1939
1940	151	157	165	172	161	152	158	165	173	162	141	147	154	157	150	1940
1941	180	189	195	199	191	181	191	196	201	192	164	173	178	182	174	1941
1942	212	226	231	243	228	213	227	233	245	230	193	206	204	215	205	1942
1943	244	252	259	264	255	246	254	261	266	257	216	223	230	233	226	1943
1944	267	271	272	283	273	269	273	274	286	276	236	240	241	245	241	1944
1945	299	396	503	529	432	302	399	507	534	436	259	342	435	457	373	1945
1946	564	613	657	683	629	570	619	664	689	636	489	530	569	591	545	1946
1947	1)706	733				1)708	734				1)679	715				1947

Quarterly indices and yearly averages of them. For details concerning the calculation of the index see p. 35 in this Bulletin Nos. 4-6, 1946.

1) Revised figures.

CERTAIN PARTICULARS ABOUT FINLAND.

1. FORM OF GOVERNMENT

Finland formed a part of the kingdom of Sweden from 1154 to 1809; from 1809 it was an autonomous Grand Duchy connected with Russia up to December 6, 1917, when Finland declared its independence, which was acknowledged by all the Powers including Soviet Russia. It became a republic in 1919. The legislative power of the country is vested in the Diet and the President. The highest executive power is held by the President chosen for a period of 6 years. The present President Juho Kusti Paasikivi is elected for the term March 11, 1946, to March 1st, 1952.

The Diet, composed of 200 members, is elected by universal suffrage. The proportions of the different parties in the Diet elected in 1945 are at present as follows:

	Number
Democratic League	50
Agrarian party	48
Social-Democratic party	48
Unionist party	29
Swedish party	14
Progressive party	9
Swedish Left	1
Outside of the Parliamentary groups	1

2. LAND.

THE AREA is 337 113 square kilometres (Great Britain's area is 245 000 sq. km and Italy's area 310 000 sq. km). Of the total area 9.4 % are inland waters. On an average 13.5 % of the land in the South of Finland is cultivated, 1.6 % in the North, 7.8 % of the whole land. Of the land area 21.7 mill. ha (53.5 mill. acres) or 70.9 % are covered by forests.

3. POPULATION.

NUMBER OF INHABITANTS (1945): 4.0 millions (of whom 0.2 million emigrants). Sweden (1945) 6.7, Switzerland (1945) 4.4, Denmark (1945) 4.1 and Norway (1941) 3.0 millions.

DENSITY OF POPULATION (1945): In South Finland 22.1, in North Finland 8.1 and in the whole country an average of 12.2 inhabitants to the square kilometre.

DISTRIBUTION (1945): 76.1 % of the population inhabit the country, 23.9 % the towns and urban districts. The largest towns are (1945): Helsinki (Helsingfors), the capital, 388 886 inhabitants, Tampere (Tammerfors) 87 123, Turku (Åbo) 81 494.

OCCUPATION (1940): agriculture 51.5 %, industry and manual labour 21.0 %, commerce 5.1 %, transport 4.6 %, other occupations 17.8 %.

LANGUAGE (1940): Finnish speaking 90.0 %. Swedish speaking 9.6 %, others 0.4 %.

RELIGION (1945): Lutheran 96.0 %, Greek-Orthodox 1.8 %, others 2.2 %.

EDUCATION (1945): Practically all persons over 15 years of age are literate. There are three universities (the oldest founded in 1640) and 7 colleges of university standard.

INCREASE OF POPULATION (1945): Births 24.1 ‰, deaths 12.7 ‰ (deaths in France in 1943 16.4 ‰ and in England in 1943 12.1 ‰), natural increase 11.5 ‰.

4. TRADE AND COMMUNICATIONS.

FOREST RESOURCES (1945): The growing stock of the forests is 1 370 million cub. m (48 379 million cub. feet). The stock of standing timber measuring 6 in. at a height of 18 ft. amounts to 1 031 million trees. Of this number pine is represented by 63.6 %, spruce by 30.1 %, the conifers thus constituting 93.7 % or 966 million trees; leaf-trees mostly birch,

5.3 % or 65 million trees. The annual increment is 41 million cub. m (1 441 million cub. ft.). The total removal in the felling season 1945/46 was 47 million m³ (1 672 million cub. ft.).

AGRICULTURE (1945): Cultivated land 2.3 million hectares, divided as follows: area under cultivation under 10 hectares 33.1 %, 10—50 ha 54.4 %, 50—100 ha 7.2 %, over 100 ha 5.3 %. Cultivated land is divided between the different kinds of crops as follows: 56.2 % hay, 13.2 % oats, 6.2 % rye, 6.1 % wheat, 5.9 % barley, 3.0 % potatoes, 9.4 % other. The number of dairies in 1944 amounted to 512.

OWNERSHIP OF LAND (1941): The land area is distributed among different classes of owners approximately as follows: private 49.2 %, State 41.6 %, Joint Stock Companies etc. 7.1 %, communities 2.1 %.

INDUSTRY (1944): Number of industrial concerns 4 559, workpeople 180 546, gross value of products of industry 87 872 million marks.

LENGTH OF RAILWAYS (1945): 4 755 km, of which 4 514 km State railways and 241 km private. The gauge is in general 1.524 m.

MERCHANT FLEET (1946): Steamships 333 (279 523 gross reg. tons), motor vessels 68 (23 750 gross reg. tons), sailing ships with auxiliary engine 135 (13 681 gross reg. tons), other sailing ships 13 (2 794 gross reg. tons). Total 549 (329 758 gross reg. tons).

5. FINANCE AND BANKING.

CURRENCY. Since 1860 Finland has its own monetary system. From 1877 up to 1914 the currency maintained its stable gold value, and after the disturbances caused by the war a gold standard was again introduced from January 1st, 1926. The unit of currency is the mark (Finnish markka = 100 pennä). According to the monetary law of December 21, 1925, a gold coin of 100 marks' value shall contain 8 1¹/₁₆ grams of fine gold. Since October 12, 1931, the redemption of bank notes in gold is, however, suspended.

STATE FINANCES. According to the finance accounts for 1946 the State revenue was 104 345 million marks of which 66 400 million marks were current revenue, and State expenditure 100 106 million marks, of which 76 159 million marks were current expenditure. The principal sources of revenue were as follows: direct taxes 30 724, indirect taxes 6 866 sales tax 13 536 interest and dividends, etc. 5 836, State property and undertakings (net) 2 073, and capital revenue 37 945. For Public Debt see table 20 in this issue.

MUNICIPAL FINANCES. According to the finance accounts for 1943 expenditure amounted to 4 792 million marks. Income from taxation was 2 360 million marks, taxed income 29 308 million marks. The municipal income tax (non-progressive) averaged 8.1 % of the ratepayers' income.

THE BANK OF ISSUE. The Bank of Finland (founded in 1811) is a State Bank. Its head office is in Helsinki (Helsingfors) with branches in Turku (Åbo), Pori (Björneborg), Vaasa (Vasa), Oulu (Uleåborg), Kuopio, Joensuu, Mikkeli (St. Michel), Tampere (Tammerfors), Hämeenlinna (Tavastehus), Jyväskylä, Kotka and Lahti (Lahtis).

THE COMMERCIAL BANKS (1946): Number 7, possess 460 offices, where all kinds of banking business is transacted. There is one banking establishment per 8 095 inhabitants.

The largest banks are: Kansallis-Osake-Pankki, Oy. Pohjoismaiden Yhdyspankki — Ab. Nordiska Föreningsbanken and Helsingin Osakepankki — Helsingfors Aktiebank, all with head offices in the capital.

OTHER BANKS (1945): Mortgage banks 5, Savings banks 470, Co-operative Credit Societies 927 and a Central Bank for the latter.

THE COMMERCIAL BANKS DURING AND AFTER THE WAR.

BY

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GENERAL SURVEY.

The war years brought some noteworthy changes to the activities and position of the Commercial Banks. These changes will be dealt with later, together with a detailed account of the different aspects of banking business. On the whole, the commercial banking system in Finland has escaped uninjured from the war and its perturbing effects.

It is true that the number of Commercial Banks has lessened from nine to seven since the outbreak of the war; but all the leading ones have survived and on the whole retained their position. One of the two banks that exist no more had to close down because it had been chiefly active in the territory ceded to Russia after the Armistice; the other bank, a small one, was amalgamated with one of the big banks. The following big banks should be mentioned: Kansallis-Osake-Pankki and Oy Pohjoismaiden Yhdyspankki — Nordiska Föreningsbanken Ab, the two largest ones, the deposits of which represented 41.8 and 36.4 per cent respectively of the Commercial Banks' total deposits at the close of 1946. Thereafter comes Helsingin Osakepankki — Helsingfors Aktiebank (11.3 per cent), followed by Säästöpankkiem Keskus-Osake-Pankki — Sparbankernas Central-Aktie-Bank (6.4 per cent). The last one distinguishes itself from the other ones by the fact that it also acts as central bank for all Savings Banks.

At the outbreak of war the Commercial Banks had a total of 509 offices, but their number fell to 448 in 1944 when many branch offices located in the ceded areas were closed. By the end of last year the number had increased to 460; of these 172 were located in towns and 288 in rural districts.

BALANCE SHEETS OF THE COMMERCIAL BANKS.

The following table conveys a general idea of the changes that took place during

the war in the structure of the Commercial Banks. It includes balance sheet figures for 1938, the last pre-war year, for 1944, the last war year, and for 1945 and 1946.

<i>Assets</i>	1938	1944	1945	1946
	Mill. mk	Mill. mk	Mill. mk	Mill. mk
Cash	1,235	1,367	6,055	3,756
Finnish credit institutions	268	363	964	755
Foreign correspondents	337	122	382	2,455
Foreign bills	117	3	3	5
Inland bills	1,770	1,710	3,063	9,646
State bills	—	4,266	4,185	530
Loans	4,584	7,786	11,213	14,589
Cheque accounts	2,590	2,696	2,868	4,000
Bonds	1,418	10,973	8,523	7,106
Shares	174	211	196	224
Bank premises and shares in bank premises	254	349	357	517
Other real estate	14	10	10	10
Sundry assets	485	1,463	2,570	3,246
Total	13,246	31,319	40,389	46,848
<i>Liabilities</i>				
Share Capital	824	1,353	1,385	1,674
Reserve funds	594	1,159	1,153	1,147
Other funds	104	76	77	70
Deposits	7,549	13,068	16,558	17,564
Cheque accounts	1,944	8,733	11,567	13,695
Bank of Finland	—	400	—	2,896
Other Finnish credit institutions:				
Deposits	894	3,417	5,102	2,773
Cheque accounts ..	368	853	2,081	1,398
Foreign correspondents	309	247	352	2,104
Bank-Post-Bills	208	1,051	629	1,246
Sundry liabilities ..	342	805	1,277	2,027
Profits (less losses)	110	157	208	254
Total	13,246	31,319	40,389	46,848

The activity of the Commercial Banks, and the nominal amounts involved seem to have increased very much between 1938 and 1944, and in 1946. In comparing figures for the different years it should be kept in mind that inflation has not ceased to reduce the value of the Finnish mark. The actual balance sheet totals have by no means risen; on the contrary they have diminished quite considerably. If the marks of recent years are converted into pre-war

marks at the rate indicated by the wholesale price index, the sum of the balance sheet totals was about 11,267 million marks in 1944 and only 7,297 million marks at the end of 1946. In 1944 the Commercial Banks therefore operated with 85 per cent and in 1946 with only 55 per cent of the purchasing power at their disposal in 1938.

An examination of the principal balance sheet items and their fluctuations conveys an idea of the changes that have occurred in the activity of the Commercial Banks.

BANK FUNDS.

The following table shows the development of the banks' own funds.

	Dec. 31 1938	Dec. 31 1944	Dec. 31 1946
	Mill. mk	Mill. mk	Mill. mk
Share capital	824	1,353	1,674
Reserve funds	594	1,159	1,147
Pensions funds	58	33	33
Undisposed profits	46	43	37
Profit and loss accounts	110	157	254
Total	1,632	2,745	3,145

The Commercial Banks augmented their funds very modestly and by no means in proportion to the depreciation of the mark, and not even in proportion to the growth of the balance sheet totals. Consequently, the proportion of their own funds to the balance sheet total fell from 12.3 per cent in 1938 to 8.8 per cent in 1944 and 6.7 per cent in 1946. In this respect the solidity of the Commercial Banks has weakened. On the other hand it should be noted that they have not in general raised the book value of their real value assets in the same proportion as the monetary value has depreciated. The rise of their own funds was on the whole evenly divided between share capital and sundry funds.

HOME DEPOSITS.

The deposits received by the Commercial Banks from the public and from domestic credit institutions are reviewed in the following table, which also includes the supplementary credits at times raised in the Bank of Finland.

	Deposits Mill. mk	Cheque accounts Mill. mk	Finnish credit institutions Mill. mk	Total Mill. mk	Bank of Finland Mill. mk
1938	7,549	1,944	1,262	10,755	—
1939	6,940	2,459	765	10,164	602
1940	7,470	4,680	1,338	13,488	—
1941	7,408	6,030	1,390	14,828	—
1942	8,597	7,228	2,106	17,931	—
1943	10,802	7,761	3,118	21,681	—
1944	13,068	8,733	4,269	26,070	400
1945	16,558	11,566	7,183	35,307	—
1946	17,564	13,695	4,171	35,430	2,896

Attention should first be paid to the fluctuations in deposits proper. The withdrawal of deposits at the outbreak of the war in 1939 and that in 1941 is clearly reflected. Deposits increased during the other years, with particular vigour in 1943 and 1945. The slowness of the increase in 1946 was partly due to a growing distrust in the stability of the mark, and partly to the fact that many depositors withdrew money they had temporarily deposited for fear of the exchange of notes, or money to pay taxes and meet other expenses. The new distribution of income, too, had an unpropitious effect on saving. Over the whole period the stock of deposits increased by 10,015 million marks, or 133 per cent.

Cheque accounts increased far more and went on growing even in the years when other deposits fell. This is explained by the general feeling of insecurity that prevailed when the wars broke out and induced the public to transfer money from deposit accounts to cheque accounts where they are more easily available at an emergency. Another reason for the rapid growth of cheque accounts was the fact that considerable sums became disengaged in trade when commodity stocks decreased, and that writings-off, under the circumstances, could not be absorbed by renewals and repairs. The cheque accounts swelled out by 11,751 million marks, or about seven-fold during the period under review. In 1938, cheque accounts represented 18

per cent of all deposits with the Commercial Banks, but by the end of 1946 this proportion had risen to 38 per cent. So strong an increase of sight deposits compelled the banks to pay greater attention to their liquidity.

The third kind of deposits, viz. short-term and long-term deposits of other credit institutions, consisting mainly of the Savings Banks' cash reserves and funds for which suitable investments had not yet been found, decreased likewise at the outbreak of war in 1939, as depositors withdrew their money from these institutions too. Later, and especially in 1942-1945, when the money market got easier and suitable investments were lacking, these deposits rose and eventually reached 7,183 million marks. The increase was 469 per cent. In 1945, deposits of this kind represented one-fifth of total deposits in the Commercial Banks, but after last year's considerable fall their share was less than 12 per cent, or the same as 1938.

Considering, finally, deposits as a whole, they increased more than three-fold or by 230 per cent between 1938 and 1946. Deposits fell after the outbreak of war in

1939, rose slightly again in 1941 and thereafter quite steeply up to 1945. For reasons referred to earlier, last year was exceptional in that deposits remained almost unchanged.

The last column in the previous table reveals that the Commercial Banks required support from the Bank of Finland at the outbreak of the Winter War, but no longer under the easier money conditions during subsequent years. The tightening of the money market after the autumn of 1944 is reflected in the credits raised from the Bank of Finland. The position of the Commercial Banks became much easier again in autumn 1945, pending the exchange of bank-notes, but during the whole of 1946 the banks once again had to resort to the aid of the Bank of Finland. At the end of the year their credits with the Central Bank approached 3,000 million, having actually been still larger in the summer.

HOME LOANS.

The credits proper granted by the Commercial Banks are illustrated in the following figures.

	Finnish credit institutions Mill. mk	Inland bills Mill. mk	Loans Mill. mk	Cheque accounts Mill. mk	Total Mill. mk
1938	268	1,770	4,584	2,590	9,212
1939	273	1,904	4,860	2,872	9,909
1940	282	3,826	5,060	2,134	11,302
1941	389	2,528	5,750	2,373	11,040
1942	456	3,070	6,327	2,397	12,250
1943	360	4,726	7,142	2,759	14,987
1944	363	5,976	7,786	2,696	16,821
1945	964	7,248	11,213	2,868	22,293
1946	755	10,176	14,598	4,000	29,529

Credits increased but slowly in the first years, and not until 1943-1946 did they progress more rapidly. The demand for credit was particularly lively last year, and the banks were not nearly able to meet it. They were consequently obliged to introduce a sort of voluntary control, such as had been partly applied in the preceding years, the Bank of Finland issuing instructions as to which kinds of credits should be granted, which not. As to the structure of the credits, the pro-

portion of bills increased from 19 to 34 per cent, whereas credits on cheque accounts diminished from 28 to 13 per cent.

The above table, however, does not reveal the two most important changes in the credit movement of the Commercial Banks during the war, namely the swelling of credits granted to the State and the growing bond holdings, the latter change of course being but a manifestation of the former. The following table illustrates this aspect of the credit movement.

	Credits granted to trade and industry		Credits granted to the State		Total Mill. mk
	Total credits Mill. mk	Whereof bonds Mill. mk	Total credits Mill. mk	Whereof bonds Mill. mk	
1938	10,292	1,080	338	338	10,630
1939	10,766	971	399	284	11,165
1940	9,678	898	3,280	757	12,958
1941	10,684	854	3,989	2,779	14,673
1942	11,314	914	7,101	5,251	18,415
1943	12,809	922	9,336	6,236	22,145
1944	13,421	855	14,373	10,117	27,794
1945	19,183	1,075	11,634	7,449	30,817
1946	30,041	1,042	6,594	6,064	36,635

These figures indicate that the credits granted by the Commercial Banks to trade and industry, after a decline in 1940, rose but slowly up to the close of 1944 in spite of the mark simultaneously losing about half of its pre-war value. Not until trade and production began to revive after the war did their demand for credit augment. This, and the continuing inflation increased the banks' lending. Between 1938 and 1946 commercial and industrial credits increased nearly three-fold, or by 192 per cent.

Yet, this increase was insignificant in comparison with the swelling of State credits. Before the war the Commercial Banks, although holding certain amounts of State bonds, granted no State credits proper. In order to pay for war expenditure the Government was compelled to raise money whenever possible. Thus it also demanded credits from the Commercial Banks which could the more easily comply as the demand from trade and industry was low at that time. Bills dominated in the beginning, but subsequently the banks bought large amounts of bonds, in particular annually redeemable bonds and tax payment certificates, all of which are summed up in the above table. State credits reached their peak in autumn 1944 and at the close of that year amounted to more

than half (52 per cent) of all credits granted by the Commercial Banks.

The trend was reversed already before the end of 1944 and has not changed since. The Commercial Banks have made great efforts to satisfy the ever-growing demand for credit by trade and industry, and therefore have reduced State credits. Expiring bills were not renewed, bond loans were recalled whenever possible and convertible bonds were not exchanged against new ones. Consequently, the amount of State credits has diminished while commercial and industrial credits took the lead once again. In this manner State credits fell to 16 per cent of all credits by the end of 1946.

The bond holdings swelled because the Government needed money. In 1938 they represented 13 per cent of all loans and bonds, but this proportion leapt to 39 per cent in 1944 to fall again to 19 per cent at the end of last year.

CASH AND CASH RESERVES.

The changes in the liquidity of the Commercial Banks during the war and the two subsequent years are reflected in the table below which indicates the cash and cash reserves, the liabilities payable on demand and the ratio between these two.

	Cash Mill. mk	Cash reserves Mill. mk	Total Mill. mk	Sight liabilities Mill. mk	Ratio of cash and cash reserves to sight liabilities, %
1938	1,234	1,241	2,475	4,285	57.8
1939	820	625	1,445	4,623	31.3
1940	1,854	1,244	3,098	8,379	37.0
1941	2,056	3,165	5,221	10,059	51.9
1942	1,639	5,730	7,369	11,887	62.0
1943	2,532	6,521	9,053	12,717	71.2
1944	1,367	10,655	12,022	14,172	84.8
1945	6,054	8,835	14,889	19,085	80.2
1946	3,756	7,268	11,024	21,939	50.2

The cash and cash reserves include the cash of the banks, funds deposited on current account in the Bank of Finland, extraneous bank-post-bills and cheques and the banks' net credit balances in other banks, commercial bills in foreign currency payable abroad, bonds in Finnish currency issued or guaranteed by the State and bonds listed in foreign Stock Exchanges. The liabilities payable on demand include all the indebtedness of the banks payable at sight and the undrawn amounts of credits granted on cheque accounts.

The outbreak of war substantially impaired the liquidity of the Commercial Banks, as appears from the column furthest right, but purchases of State bonds subsequently improved the liquidity ratio. The peak was registered at the end of 1944 when cash and cash reserves covered 84.8 per cent of sight liabilities. In recent years the liquidity of the banks has again declined as the money market has stiffened and commercial and industrial credits have swelled. The change had hardly become perceptible yet at the end of 1945 because of the record-high influx of money pending the exchange of bank-notes, but the liquidity figure of 1946, 50.2 per cent, meant a return to the level considered normal in pre-war times. The ratio prescribed by the Bank Law being only 20 per cent, the present liquidity is more than sufficient.

POSITION TOWARDS FOREIGN COUNTRIES.

Because of the barriers raised by the war to foreign trade and other international intercourse in the economic field, foreign indebtedness and claims of the Commercial Banks rapidly decreased. When international business relations and trade re-opened in 1945, the tide turned and both items began to rise. This trend was further accentuated by the increase in the foreign rates of exchange in 1945, which meant that the equivalent in marks of the indebtedness and claims increased. The very powerful rise in 1946, however, was chiefly due to certain accounting reforms whereby foreign indebtedness and claims are more completely presented on the balance sheets.

The foreign payment position, in general active in the 1930's, deteriorated swiftly after the outbreak of war and gradually

became passive. When trade began to recover foreign claims grew faster than indebtedness and have once again made the balance active.

	Claims Mill. mk	Indebtedness Mill. mk	Net claims (+) or indebted- ness (-) Mill. mk
1938	455	310	+ 145
1939	317	145	+ 172
1940	203	144	+ 59
1941	163	152	+ 11
1942	128	444	— 316
1943	140	352	— 212
1944	125	247	— 122
1945	385	352	+ 33
1946	2,460	2,104	+ 356

RATES OF INTEREST.

The pre-war rates of interest applied by the Commercial Banks were 3½ per cent on six months' deposits and 1 per cent on sight deposits. As the rate of interest showed signs of increasing between the wars of 1939—1940 and 1941—1944, the Prime Minister promoted the conclusion of an interest agreement between the various groups of credit institutions, in order to check this rise and to preserve the rate of interest at the level of the 1930's, comparatively low for Finnish conditions. As a matter of fact, the rates of interest on deposits remained unchanged during the whole war and even after it. But the average interest on deposits in the Commercial Banks has fallen year by year. From 2.99 per cent in 1938 it fell to 2.36 per cent by 1941, rose slightly (to 2.53 per cent) in 1944, only to fall to 2.39 per cent in 1946. These fluctuations reflect the increasing proportion of low interest cheque accounts as compared with other deposits (deposit accounts proper).

The interest agreement mentioned also regulates the rates charged for loans, as a rise of such rates was considered unpropitious. The following general principles were established: the rate of interest on loans was to remain on the level prevailing at the beginning of October, 1940; interests on long-term loans granted against first-rate mortgage securities, in so far as they had been raised after October 1, 1940, had to be lowered at least to 5½ per cent; rates on new, similar loans were not allowed to exceed 5¾ per cent. The agreement did not regard short-term credits,

but as the money market remained easy during the whole war, such interests not only remained unchanged but even fell. The State bills granted, the rate of which was low and gradually fell still more, contributed to this tendency.

In consequence hereof the average rate of interest on loans granted by the Commercial Banks was gradually pressed down from 5.85 per cent in 1938 to 5.04 per cent in 1944. Later the trend was reversed when the money market stiffened. The average interest increased to 5.31 per cent in 1945 and 6.28 per cent in 1946. The actual level of interest did not rise so sharply, the above increase being chiefly due to the rapid shrinking of the low-interest State credits, as described above. The average interest on loans granted to others than the State rose slowly from 5.93 per cent in 1944 to 6.11 per cent in 1945 and 6.33 per cent in 1946.

THE YEAR'S RESULTS.

The economic results of the Commercial Banks' business are illustrated by the following table of income and expenditure for recent years as compared with the figures for 1938.

	1938 Mill. mk	1944 Mill. mk	1945 Mill. mk	1946 Mill. mk
<i>Income</i>				
Interest	544	843	1,048	1,689
Income on bonds and shares	103	418	451	287
Agio	33	1	46	54
Recovered on claims previously written off ..	6	4	15	4
Income from bank premises	17	16	5	2
Sundry earnings	23	47	64	153
	Total 726	1,329	1,629	2,189
<i>Expenditure</i>				
Interests	388	671	807	1,043
Expenses	185	407	557	856
Amounts written off ..	42	93	55	33
Transferred to pensions funds	1	2	2	3
Net profits	110	156	208	254
	Total 726	1,329	1,629	2,189

Incomes trebled between 1938 and 1946, their increase thus being slower than that of the balance sheet totals. The principal item of income, interests, also trebled, but income from bonds and shares grew somewhat less. Agio incomes were insignificant

during the war; after 1944 they increased again, but remained on a modest level as compared with 1938. Income from bank premises, which is of little consequence, has diminished owing to higher running costs, rents being at the same time strictly controlled.

In regard to expenditure the sharp rise of expenses, 4.6 times over, deserves special notice. Details show that the rise was particularly great in regard to taxes, namely from 43 million marks in 1938 to 356 million marks in 1946, or almost eight-fold, whereas wages rose from 102 million marks to 347 million, or only about 3½ times over, and other expenses from 40 million marks to 153 million marks, i.e. about four times. While in 1938 the expenses of the Commercial Banks represented 1.39 per cent of the monthly average balance sheet totals, the corresponding proportion had risen to 1.99 per cent in 1946. With regard to wages and other expenses the percentage changed very little, whereas the relative tax burden increased considerably, or from 0.32 per cent in 1938 to 0.83 per cent in 1946. — In 1946 the banks in addition paid 430 million on the Second Capital Levy. This they chiefly effected by surrendering their own shares, and the operation does not appear on the profit and loss accounts.

As can be seen above, the net profit of the Commercial Banks grew at a much slower rate than the gross profits and the balance sheet totals. The following table shows net profit and loss figures for the whole period under review.

	Net profits Mill. mk	Net losses Mill. mk
1938	110	—
1939	92	—
1940	79	2
1941	100	2
1942	111	—
1943	141	—
1944	161	4
1945	208	—
1946	254	—

During the first war years the Commercial Banks, partly for reasons of prudence and partly because of writings-off and the First Capital Levy, reported reduced profits, and some minor banks even registered losses. After that net profits began to

rise as expressed in marks that were gradually losing value. Net profits in 1946 were thus slightly more than twice those of 1938. This means that the real profit has decreased. Compared with the balance sheet totals, the aggregate net profit was 0.83 per cent in 1938, but only 0.54 per cent in 1946. Compared with the cash turnover the net profit fell from 0.03 per cent in 1938 to 0.01 per cent in 1946.

Owing to reduced net profits transfers to funds have been very small and dividends paid to shareholders reduced. Dividends were paid in the different years as follows:

	Dividends Mill. mk	% of share capital	% of own funds
1938	100.2	12.16	6.58
1939	72.3	8.77	4.72
1940	75.5	9.16	4.87
1941	83.6	10.10	5.53
1942	89.6	8.80	4.80
1943	110.4	9.25	4.32
1944	151.5	11.20	5.85
1945	156.2	11.73	5.97
1946	196.1	11.72	6.78

As the price of bank shares is in general twice or three times the nominal value, the interest on the capital invested is far from being good. It should be noted that even if the total nominal amount of divi-

dends distributed in 1946 was practically the double of that in 1938, its buying power and real value was hardly 31.0 million pre-war marks, or actually only 30.9 per cent of the sum distributed in 1938. Seeing that the share capital has more than doubled, the result will be that in 1946 shareholders received 15 per cent of what they earned on the same shares in 1938.

CONCLUSIONS.

The above survey shows that the position of the Commercial Banks has superficially not only been preserved, but considerably improved in the course of recent years. In reality, however, their position has deteriorated; the buying power of the monetary funds has fallen and the liquidity of investments is less good than before the war. Further, the relative amount of the banks' own funds has diminished, and the same applies to profits.

The war and its aftermath: heavy taxes and inflation, have weakened the position of the Commercial Banks. Nevertheless, they pursue their important mission, all the while assisting economic life in the difficulties of this post-war period of transition and promoting reconstruction in the widest sense of the word.

FINLAND'S FOREST RESOURCES AND THEIR UTILIZATION.

BY

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The forests are Finland's greatest natural resource and form the chief basis of her economy. Fortunately the conditions for forestry are good in all respects, in some instances even excellent.

NATURAL CONDITIONS FOR FORESTRY.

The climate is propitious for the growth of forests and their utilization. The species of trees for which demand is greatest in the world markets thrive well, and they yield useful raw materials at a reasonably fast rate. In winter, the frozen, snow-clad ground provides convenient and compara-

tively cheap facilities for the transportation of logs even from the vast roadless wilds.

By far the greatest part of the country's area consists of typical forest-soil. It is mostly so meagre that no more than about one fifth of it could profitably be converted into agricultural use. But to do this would mean a doubling of the area of cultivated fields in Finland. The forest, on the other hand, if properly taken care of, can yield a considerable produce at low cost. The smallness of these costs is foremostly due to the Finnish climate and soil which in general afford an easy natural regenera-

tion of the forests. This is the very opposite of the conditions in countries farther South, where comparatively expensive sowing and planting is the usual process of regeneration.

The innumerable Finnish watercourses, with their deeply penetrating network of rivers and streams, are an invaluable asset to forestry. They collect the timber from practically all regions and convey it at the lowest possible cost to the mills. The numerous rapids, many of which are to be found in the lower river-courses and close to the long coast-line, offer cheap energy to the woodworking industry. And the finished products are shipped to the world markets from the excellent river-mouth ports.

THE EXAMINATION OF FOREST RESOURCES AND THEIR UTILIZATION.

Besides good natural conditions, sufficient forest resources are a pre-requisite for successful forestry. Finland's forest resources and their development in recent times were made the object of two detailed, national surveys, the first one carried out in 1921—1924 and the second one in 1936—1938.

These surveys were made according to the line-survey method (described in the Bank of Finland Monthly Bulletin, No. 9, 1939). Parallel survey lines were drawn across the country, last time to a number of 62 and at intervals of 13 km in the main parts of the country. The total length of these lines was about 25,000 km — equalling, for instance, the distance Helsinki—Moscow—Vladivostok—Singapore—Calcutta—Teheran—Moscow—Helsinki. All soils and

forests on these line strips were examined. The results of the research were collected on about 200,000 survey forms and they afford a rich material for analysing the resources and the conditions of the forests.

The utilization of the forests, too, was examined twice, viz. in 1927 and 1938. For this purpose information on the rural population's household consumption of wood was collected from about 2,000 sample farms in all parts of the country, the utilization of wood by industry, rural and other communes, traffic, etc. being made the object of other investigations.

The results obtained by these means regarded the whole of Finland before the war. After the war, they had to be re-calculated as Finland had lost large territories to the Soviet Union under the Armistice of 1944. The revised figures presented below convey an idea of the forest resources of present-day Finland and of their utilization.

FOREST RESOURCES.

In Finland land is divided into four groups according to its use from the point of view of forestry. These are: 1) productive forest lands, affording good or fair growing possibilities for wood; 2) poor productive forest lands, represented by swamp, rock and fjeld forests where the forest is open and slow-growing and the trees are usually low; 3) waste lands consisting, in their present state at least, of swamps producing no forest, and of rocks, fjelds and sand plains; and 4) cultivated fields, natural meadows, building plots, roads and power lines.

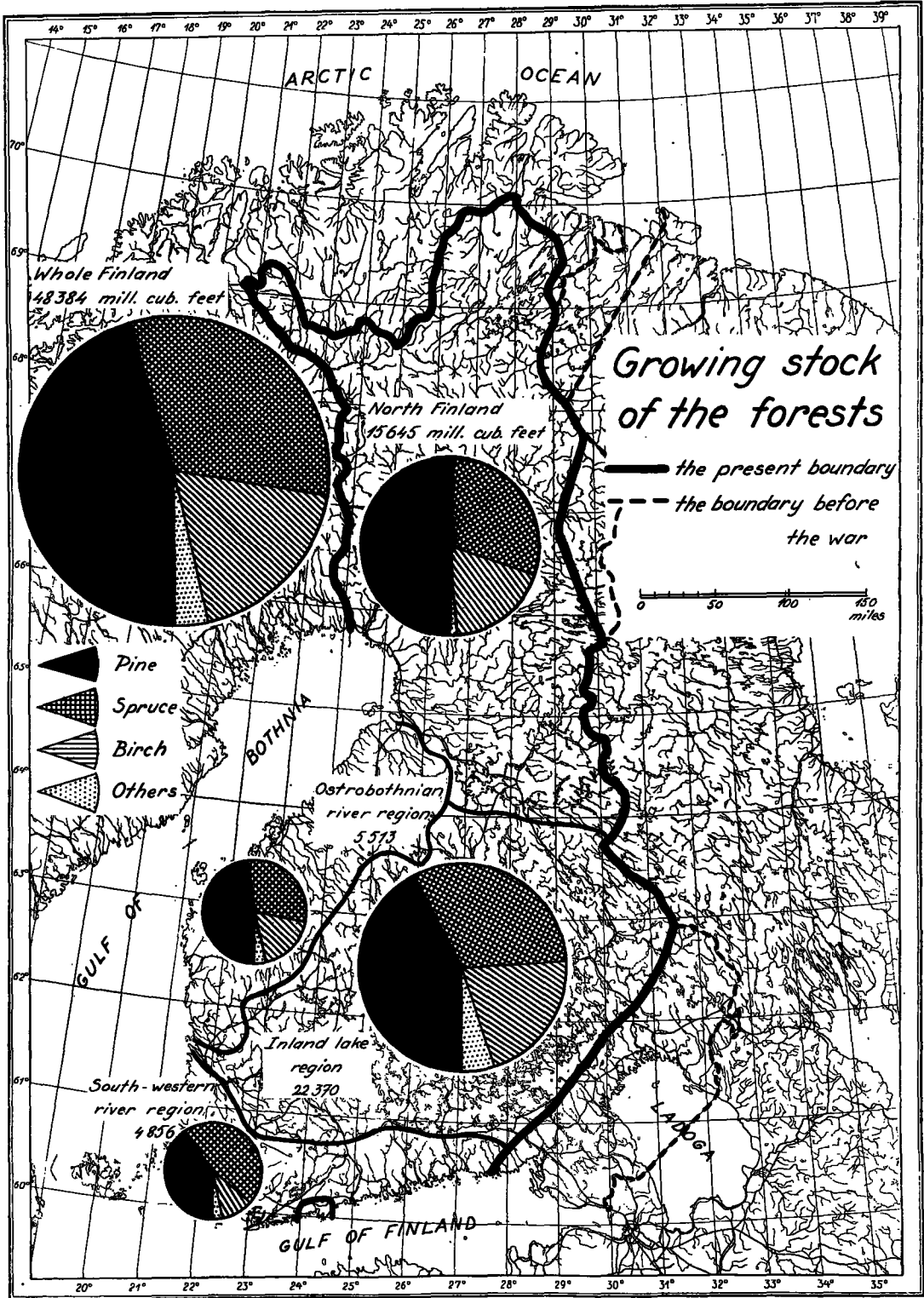
TABLE 1. TYPES OF LAND.

	1936 — 38		Present-day Finland (since 1944)		
	Mill. acres	Mill. hectares	Mill. acres	Mill. hectares	Per cent
Productive forest land	48.38	19.58	42.20	17.08	56.0
Poor " "	13.00	5.26	11.32	4.58	15.0
Total forest land	61.38	24.84	53.52	21.66	71.0
Waste land	14.08	5.70	12.36	5.00	16.3
Fields, meadows, roads, etc.	10.65	4.31	9.61	3.89	12.7
Total	86.11	34.85	75.49	30.55	100.0

Table 1 shows that by far the greater part of Finland is forest-clad. Next to the Soviet Union Finland owned the greatest forest area in Europe before World

War II. But after the reduction of territory in 1944 Finland lost her second place to Sweden and now lies third.

The forest percentage (71) is higher in



Finland than in any other country. Next to Finland comes Sweden (56.5 per cent). The forest area per head of population is higher in present-day Finland than in any other European country, being 12.6 acres (5.1 ha) in Finland and 8.9 acres (3.6 ha) in Sweden, which lies next. In Central and Western Europe it is mostly below 0.7 acres (0.3 ha).

The quality of the forest soils is in general relatively good in Southern Finland and even in Central Finland — save where the ground is swampy. Thus, in these parts of the country the average annual growth is between 90 and 125 cubic feet and the growing capacity 125—210 cubic feet per acre (2.5—3.5 m³ respectively per hectare). In the North forest lands are much less fertile, the annual growth turning around an average of no more than 35 cubic feet (1 m³).

TABLE 2. FREQUENCY OF PRINCIPAL TREE-SPECIES.

Forests dominated by:	Mill. acres	Mill. hectares	Per cent
Pine	32.53	13.17	53.0
Spruce	17.19	6.95	28.0
Total conifers	49.72	20.12	81.0
Birch	10.31	4.17	16.8
Alder	0.74	0.30	1.2
Aspen	0.06	0.03	0.1
Total broad-leaf trees	11.11	4.50	18.1
Clearings	0.55	0.22	0.9
Grand total	61.38	24.84	100.0

With regard to the *species of trees* growing in the Finnish forests, this country is poor in comparison with many others. The pine (*Pinus silvestris*) predominates by far. It is followed by the spruce (*Picea excelsa*) which has of late gained ground from pine and alder; as the demand on the part of the expanding paper industry has necessitated an increased production of spruce. The third species of importance

is the birch (*Betula alba*). Alder (*Alnus incana*) and aspen (*Populus tremula*) are still fairly common; but other species, such as oak, basswood, elm, ash, maple, etc., are of little consequence in forestry on account of their insignificant occurrence.

However, there is no reason to complain of the variety of trees in Finland, the chief species of them being useful and in great demand abroad. Pine and spruce are excellent raw materials for saw-milling, and for the paper and cellulose industry alike. Birch is a most valuable raw material for the plywood, furniture and spool industries. Aspen too can be used in the plywood and paper industries, and it is the chief raw material for matches and wood-wool. Alder is hardly good for anything else than fire-wood.

TABLE 3. ORIGIN OF THE FORESTS.
(Per cent of productive forest land area)

	Origin				
	before 1780	1780—1800	1800—1850	1850—1900	1900—
South Finland	—	1	11	63	25
North Finland	7	30	31	26	6

The *age* of the forests varies much in different parts of the country. There is a particularly great difference between the South and the North. In Southern Finland the forests are chiefly middle-aged or close to mature, i.e. 35—75 years old, this being due to the formerly widespread practice of burning forest for cropping purposes, and to abundant cuttings. In the North the old age-classes are well represented, as a result of rich regeneration after the forest fires of earlier times and because they have been sparingly cut on account of their remoteness. To reach maturity the forests in Northern Finland, on account of the climate and the weaker fertility of the soil, on the average require twice as much time as the forests in Southern Finland.

TABLE 4. GROWING STOCK OF THE FORESTS.
(Including bark)

	1921—24		1936—38		Present-day Finland (since 1944)		
	Mill. cub. feet	Mill. cub. feet	Mill. cub. feet	Mill. cub. metres	Per cent	Saw logs Mill. cub. feet	
Pine	27,440	24,935	22,038	624	45.5	4,853	
Spruce	16,987	17,764	15,575	441	32.2	2,201	
Birch	10,242	10,418	9,076	257	18.8	} 417	
Aspen	742	1,024	918	26	1.9		
Alder	670	953	777	22	1.6		
Total	56,081	55,094	48,384	1,370	100.0	7,471	

The two forest surveys carried out offer a detailed picture of the *growing stock* and the structure of it, and of their development. The following commensurable growing stock figures can be cited: I survey of 1921-1924 56,081 million cubic feet (1,588 million m³), II survey of 1936-1938 55,094 million cubic feet (1,560 million m³), and present-day Finland (1944) 48,384 million cubic feet (1,370 m³).

The reduction, between the first and second survey, in the total growing stock by 989 million cubic feet (28 million m³) is due to 740,000 acres (300,000 ha) of forest land having been cleared for cultivation or transformed into roads or building plots. The cession of territory in 1944

reduced the growing stock by 6,710 million cubic feet (190 million m³).

The average growing stock per acre of forest land is 835 cubic feet (58.4 m³ per ha) excluding bark. In Sweden and Norway, where the first surveys of this kind were completed around 1930, corresponding figures of 844 and 587 cubic feet respectively were obtained. It may still be mentioned that the average growing stock per inhabitant is 10,772 cubic feet (305 m³), more than in any other European country. In Sweden, which comes next, the corresponding figure was 8,193 cubic feet, and in Norway 3,991 cubic feet, both according to the first surveys.

TABLE 5. ANNUAL GROWTH OF THE FORESTS.
(Excluding bark)

	1911-24	1936-38	Present-day Finland (since 1944)			Growth Per cent
	Mill. cub. feet	Mill. cub. feet	Mill. cub. feet	Mill. cub. metres	Per cent	
Pine	724	675	604	17.1	41.9	3.5
Spruce	452	523	473	13.4	32.8	3.8
Birch	350	336	297	8.4	20.6	4.1
Aspen	25	32	28	0.8	2.0	3.9
Alder	49	46	39	1.1	2.7	6.6
Total	1,600	1,612	1,441	40.8	100.0	3.8

The *annual growth* of the forests was 1,600 million cubic feet (45.3 million m³) in 1921-1924, and 1,612 million cubic feet (45.7 million m³) in 1936-1938. Thus the growth of the forests remained practically unchanged during the fifteen years falling between the two surveys. After the cessions of 1944, however, the annual growth fell by 173 million cubic feet (4.9 million m³).

The average annual growth per acre of forest land is 26.9 cubic feet (1.88 m³/ha). It fluctuates between 60 cubic feet in the best regions and 15 cubic feet in the northernmost forests. This figure is practically the same as in Sweden (27.3 cubic feet), but higher than in Norway (19.3 cubic feet).

The average annual growth per inhabitant is 378 cubic feet (10.7 m³) in Finland, 275 cubic feet in Sweden and 124 cubic feet in Norway. In the rest of Europe it is lower, e. g. less than 35 cubic feet (1 m³) in Central and Eastern Europe and in the Mediterranean countries, and as small as 17.5 cubic feet (0.5 m³) or less in some other countries.

The *accuracy* of the survey results described above has been checked by means of mathematical-statistical methods. These operations seem to confirm that an accuracy of until one per cent or better has been attained in respect to the principal results for the whole country and that an accuracy not inferior to 2-5 per cent was reached in each of the seventeen main water system areas.

OWNERS OF FORESTS.

The ownership of the forests was last examined in conjunction with the forest survey of 1938. The results of this investigation appear from the appended table 6 which indicates the division of the forest area in present-day Finland between the five main groups of owners. The changes since 1938 are mainly due to the re-settlement of the persons displaced from the territories ceded to the Soviet Union, but as this re-settlement is not completed the changes have not yet been accounted for. It is nevertheless evident that private ownership has increased considerably at the expense of other ownership.

TABLE 6. OWNERSHIP OF FOREST RESOURCES.

	Forest area	Growing stock	Annual growth
	%	%	%
Private (chiefly farmers)	54.5	55.7	65.6
State	35.1	31.2	20.4
Forest industry	7.9	9.8	10.5
Communities	1.5	1.9	2.1
Church	1.0	1.4	1.4
Total	100.0	100.0	100.0

The proportion between the three main groups of owners is very different in various parts of the country. The bulk of private and industry-owned forests are located in the southern part of Finland, whereas State forests mostly are to be found in the North. From the point of view of market conditions, the private forests are generally best situated, next come the industry-owned forests, the State forests mostly lying in the remoter districts. The annual growth of the State forests is small as compared with their area and growing stock, the reason for this being not only the Northern location and comparatively meagre soil of these forests, but in particular their high proportion of old-aged stock.

UTILIZATION OF THE FORESTS.

The quantity of wood removed from the Finnish forests has varied considerably in different years. Although the domestic consumption by the rural population is considerable, the bulk of wood cut is directed towards the forest industries which are chiefly based on export and therefore sensitive to the fluctuating demand for manufactured wood products in other countries.

TABLE 7. UTILIZATION OF WOOD.

	1929—38	1940—44
	%	%
Raw materials for industry ...	45.4	25.3
Firewood " "	3.5	9.1
Household use of rural population	34.3	37.9
Exports of unmanufactured wood	7.6	2.7
Other groups	9.2	25.0
Total, per cent	100.0	100.0
" , mill. cub. feet excl. bark; per year	1,306.7	1,045.4
" , mill. cub. metres excl. bark; per year	37.0	29.6

Table 7 illustrates the main uses of wood. The figures refer to the ten-year period

1929—1938, and for the sake of comparison data have been added for the war years 1940—1944 when exports shrunk and shortage of foreign fuels made it necessary to burn much more wood. Since the end of the war the different uses of wood are gradually regaining their pre-war mutual proportion. The expansion of exports, however, is greatly hampered by reconstruction at home and by the war reparations, and in addition the constant difficulties of obtaining coal still make it necessary to burn more wood than normally.

Forest is usually indispensable to the economy of Finnish farms; farms possessing no woods whatever are few and generally very small. Most farms have a forest area of less than 50 ha. The forest yields wood for household use, and in addition the farmer makes a handsome profit by selling wood. Although the forest-owning rural population uses an average of 290 million cubic feet (8.2 million m³) of wood for household purposes, viz. 233 cubic feet (6.6 m³) per rural inhabitant, most of the wood cut in these forests is sold and thus serves other purposes.

TABLE 8. RAW MATERIALS FOR FOREST INDUSTRY.

	1925-34	1935-38	1940-44
	%	%	%
Sawmill industry	70.3	56.5	53.9
Pulp and paper industry ..	25.6	38.4	39.7
Plywood " ..	2.8	4.0	5.1
Other industries	1.3	1.1	1.3
Total, per cent	100.0	100.0	100.0
" , mill. cub. feet excl. bark; per year	552.4	490.9	262.7
" , mill. cub. metres excl. bark; per year	15.64	19.30	7.44

As indicated in table 7, in normal times the largest group consists of raw materials for industrial purposes. The forest industry is Finland's most natural and self-supporting branch of production. The forests yield raw material and fuel, the rapids power. Saw-milling is not only the largest, but also the oldest form of forest industry. Since the 1930's, however, it has developed no further, having reached the limit placed on it by the natural supplies of raw material. The paper and cellulose industry is much younger, but in the past decades it has expanded in a most spectacular manner. The same applies to the plywood industry.

During the war the forest industry was compelled to work on a greatly reduced scale, but since then recovery has been very satisfactory. A large number of wood-working plants located in the areas ceded to the Soviet Union were lost, and as the forest resources lessened for the same reason, Finland's forest industry cannot be expected, for some time at least, to reach its former compass.

FOREST BALANCE.

The surveys of forest resources and wood utilization afford a reliable basis for drawing up a forest balance. This, in turn, reveals whether too much wood is being cut or whether the cuts can be further increased.

In establishing the forest balance logging waste and self-thinning, by drying and rotting that occurs chiefly in remote regions, as well as some other minor items have to be added to the felling quantity. The sum of these items indicates the so-called removal.

The annual growth is the other point of comparison generally used in determining the forest balance. Such a procedure, however, presupposes that the forests are evenly divided between the different age-classes until maturity. This is not the case in Finland, and owing to the large number of middle-aged forests the "normal" removal, i.e. that providing the best silvicultural development of the forests, lags far behind the growth.

Table 9, the figures of which are rounded off to full millions, shows that the annual growth of the Finnish forests was more than sufficient to cover the annual removal before the war. During the war years a considerable balance of growth got accumulated to the forest capital.

The total growth of the Finnish forests has lessened after the war in consequence of the cession of territory, and on the other hand reconstruction, war reparations and the export drive have greatly increased the demand for wood and therefore pressed up fellings to new records. In the past two felling seasons removals have greatly exceeded not only the "normal" removal, but also the actual growth. Such an excess of cutting is justified to a certain extent by the accumulation of growth during the war, but if it is allowed to go on, the forest capital will soon diminish.

FUTURE DEVELOPMENT OF FOREST RESOURCES.

The present state of the Finnish forests is far from meeting the requirements of rational silviculture. Sixty-five per cent of the forest area consists of forests that are well or satisfactorily treated, 31 per cent of unsatisfactorily treated forests, and 4 per cent of forests that are spoilt or right out devastated by unskillful cutting.

Study and experience confirm that forest resources can be greatly improved and increased by using more effective silvicultural methods. It has been calculated that the present growth of the Finnish forests can be doubled by rational silviculture and by draining swamps suitable for growing forest. This is a theoretical prospect. Before the war an extensive work of forest improvement had been started with a view of attaining this goal. Good results had already been reached when the war broke out and temporarily put an end to the work, but now it is gradually being resumed again.

TABLE 9. FOREST BALANCE.
(Annual average, excluding bark)

	Removal		Growth		Normal removal	
	Mill. cub.	feet metres	Mill. cub.	feet metres	Mill. cub.	feet metres
1924—37	1,448	41	1,625	46	1,342	38
1935—39	1,342	38	1,625	46	1,342	38
1940—44	1,060	30	1,625	46	1,342	38
1945—47	1,695	48	1,448	41	1,201	34

FINLAND'S FOREIGN TRADE IN 1946.

BY

T. G. MATHELIN, MAG. PHIL.

HEAD OF THE STATISTICAL DEPARTMENT OF THE BOARD OF CUSTOMS.

The year 1945 was in a way a year of transition for the commercial relations between Finland and other countries, an interval when a basis had to be laid for the future foreign trade under the new conditions created by the war. That year trade connections were re-established with the Soviet Union, Great Britain, U. S. A. and a number of other countries with which relations had been severed during the war. Credit negotiations were also opened and as a result thereof Sweden, U. S. A. and Brazil granted considerable loans for financing exports to Finland. Part of these sums were already available in 1945. Lumbering was accelerated as a means of improving exports, and considering the prevailing circumstances an excellent result was reached in the logging season 1945/46.

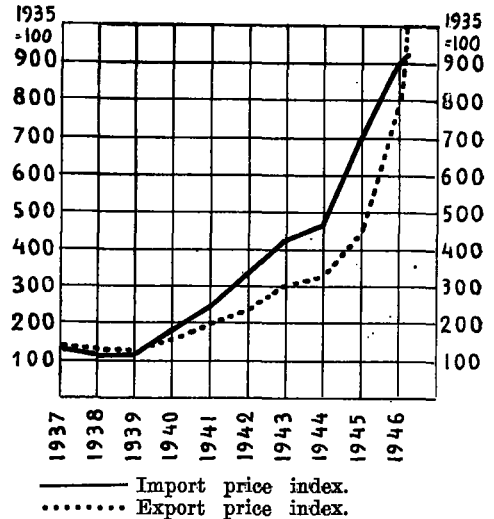
Prospects for foreign trade were thus far better in 1946 than in 1945. With regard to exports, it should be remembered that the war reparations Finland undertook to pay the Soviet Union under the Armistice Agreement, included less timber and paper products in 1946 than before, so that corresponding quantities could be reserved for free, commercial, exports. Consequently, foreign trade recovered fairly well from the trough of the preceding year. The improvement is clearly reflected in the following figures for total exports and imports.

Year	Imports Mill. mk	Exports			Total Mill. mk
		Free exports Mill. mk	Reparations, restitutions, Mill. mk		
1945	6,820.5	5,227.8	9,455.0		14,683.8
1946	24,274.0	23,050.5	9,430.1		32,480.6

War reparations have been included, in spite of their not being exports proper. They cannot be overlooked in this connection as they, together with free exports, give evidence of the expansion of exportation as a whole. Indeed, when examined under this aspect, total exports considerably exceeded imports in both years, whereas the balance of free commerce displays an excess of imports. If calculated according to free export prices, which are somewhat higher than those used in the above calculation, war reparations repre-

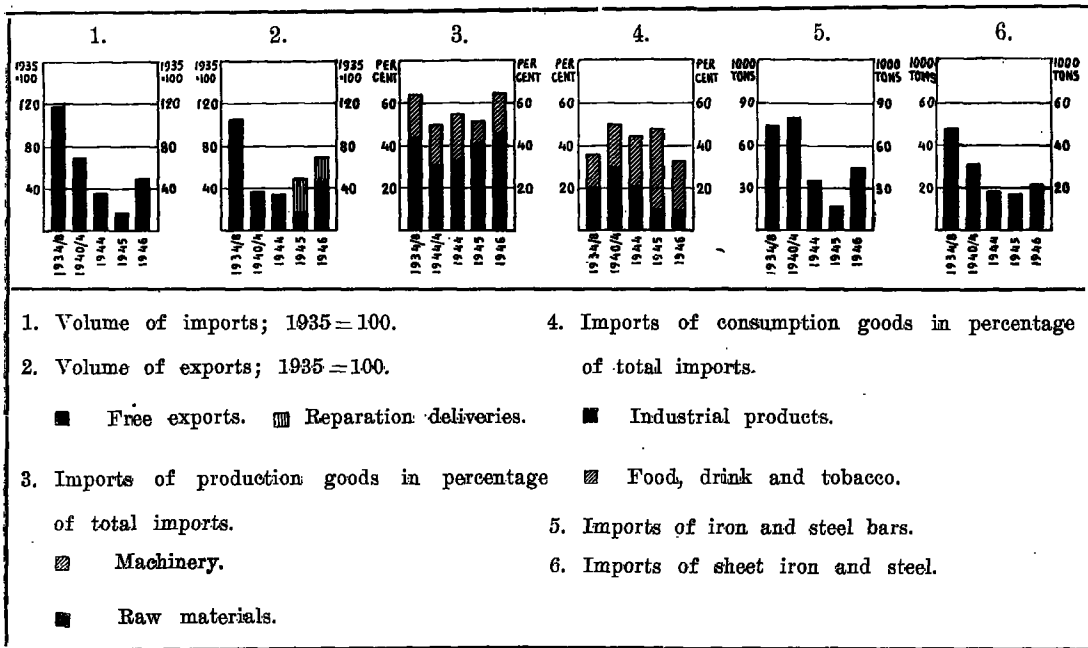
sented about two-thirds of all exports in 1945 and one-third in 1946; this shows how deeply they affect the country's free exports.

IMPORT AND EXPORT PRICE INDEX
1935 = 100.



The nominal value of free exports was more than four times as high in 1946 as in 1945. Owing to the roughly 75 per cent rise of export prices the actual increase of exports was much smaller. Thus, the volume of commercial exports, in 1945 only 18 per cent of the pre-war (1935) "normal level", increased to 47 per cent in 1946, or two and a half times. As to imports, their value was three and a half times as high as in 1945. But considering that import prices rose about 25 per cent, the volume of imports rose less than three times, or from 18 per cent of the 1935 level in 1945, to 51 per cent in 1946. Notwithstanding this improvement the volume of free trade was still rather modest in 1946, answering to hardly half the pre-war quantity.

While examining the balance of trade it must be remembered that import figures are based on cif prices whereas those for exports have been calculated on fob prices. Freights, accordingly, are included in the



former but not in the latter. Taking this fact into account, the trade balance which by the above figures displayed an import surplus of 1,200 million marks in 1946, in reality gave an export surplus of at least 1,000 million marks.

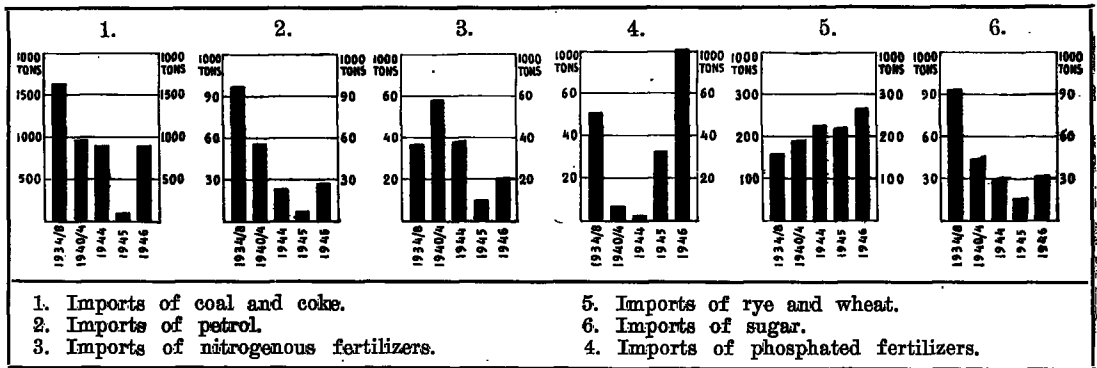
EXPORTS.

The bulk of Finnish exports is known to consist of wooden goods and paper products. Before the war these two stood for 80-85 per cent of total exports. The second largest group was that of animal foodstuffs, 8-10 per cent, and third came the products of metal and mineral industries, 4-5 per cent. The impairment of agricultural production caused by war time conditions and by the cession of territory under the Armistice, strained the food situation to such a degree that animal foodstuffs had to be imported both during and after the war. Exports under this heading have therefore lost every significance. Instead, the proportion of metal and mineral industries products has increased and reached as much as 16 per cent of total exports during the war years. In 1946, these products represented 9 per cent of all commercial exports, the proportion of wooden goods and paper products being at the same time 82.3 per cent.

These proportions, however, look quite different if all goods exported, i.e. also war reparations are included in the calculation. This basis gives a 75.6 per cent share for wood and paper and a 20.5 per cent share for metal and mineral products, owing to the prominent place held by metal and engineering products in the war reparations. This, in turn, deeply affects the whole structure of production in Finland, and will no doubt also bear upon commercial exports in the future.

Follow volume figures indicating free exports of the principal commodities in 1945 and 1946:

	1945 (000's omitted)	1946 (000's omitted)
Round timber, cub. metres ...	279	1,339
Sawn timber, standards	96	278
Plywood, cub. metres	29	110
Pre-fabricated houses and barracks, kgs	37,950	121,806
Mechanical woodpulp, kgs ...	38,845	66,258
Sulphite cellulose, kgs	64,736	202,565
Sulphate cellulose, kgs	60,177	180,948
Board and cardboard, kgs ...	25,548	91,728
Newsprint, kgs	55,590	207,511
Printing paper, other quali- ties, kgs	13,995	49,073
Wrapping paper, kgs	11,228	53,067
Other kinds of paper, kgs ..	1,729	7,982
Pig-iron, kgs	3,982	11,787
Copper, kgs	1,072	5,104
Machinery, electric and other, kgs	861	587



The increased exports of wooden and paper products are due to larger output, but, as was pointed out earlier, this development has also been favoured by reduced war reparation deliveries of such commodities. In comparison with pre-war quantities the present exports are very modest still in many cases. Thus, exports of sawn timber were 1,041,000 stds in 1935, but only 278,000 stds (or 360,000 stds including war reparation deliveries) in 1946; exports of plywood 146,000 cubic metres against 110,000 (137,000) cubic metres; mechanical woodpulp 289,836 metric tons against 66,258 (87,888) metric tons; sulphite cellulose 688,684 metric tons against 202,565 (257,883) metric tons; sulphate cellulose 235,199 metric tons against 180,948 (208,715) metric tons, and newsprint 280,459 metric tons against 207,511 (217,619) metric tons. The small exports of sawn timber are compensated to a certain degree by the entirely new export item, pre-fabricated houses and barracks. The shortage of coal and coke was partly responsible for the reduced output in these fields, as large quantities of industrial wood had to be used as fuel. In the metal and engineering field exports have increased only with regard to pig-iron and copper, this being possible solely thanks to a higher output. War reparations comprise no pig-iron, and the reparation deliveries of copper were about 5,000 tons in either year. Commercial exports of machinery and electric machines represent a mere fraction of the quantities delivered as war reparations; whereas reparation exports were 5,220 metric tons in 1945 and 19,528 metric tons in 1946, commer-

cial exports were only 684 and 366 metric tons respectively.

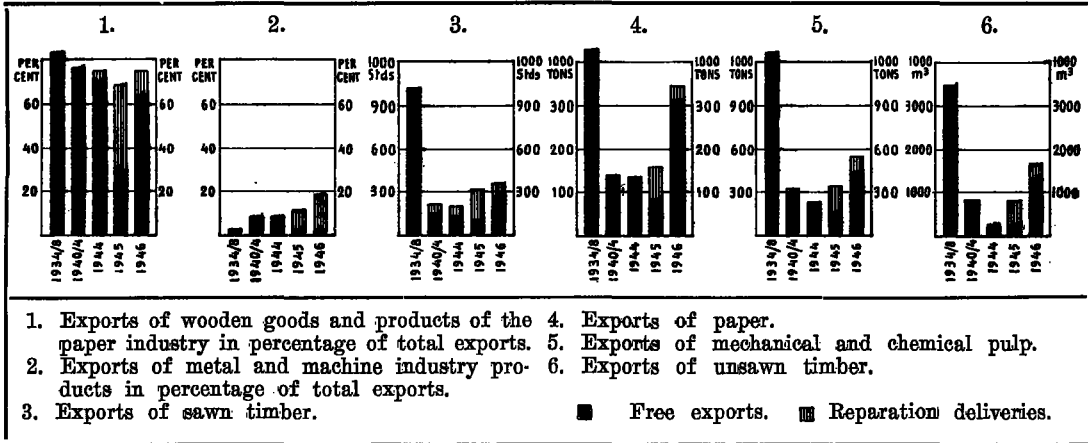
IMPORTS.

Finland's import needs of to-day principally include industrial and agricultural raw materials, machinery chiefly for the war reparation and export industries, and foodstuffs. Manufactured consumers' goods, such as textiles for instance, cannot as yet be imported in larger quantities, not even if foreign supplies of them were larger than they are at present. In 1946, imports were divided as follows over the four main groups:

	Mill. mk	%
<i>Producers' goods</i>	15,641.3	64.4
Raw materials and semi-manufactures	10,754.5	44.3
Machinery, vehicles	4,886.8	20.1
<i>Consumers' goods</i>	8,632.7	35.6
Food, drink and tobacco	6,310.8	26.0
Manufactured goods	2,321.9	9.6

A comparison of the proportion between the different commodity groups now and before the war shows that the balance between producers' and consumers' goods, regarded as a whole, is practically unchanged. Of all imports 64.1 per cent fell under the first heading and 35.9 per cent under the second in 1935. The same applies also to the proportion between the two groups of producers' goods, seeing that raw materials and semi-manufactures represented 45.5 per cent and machinery 18.6 per cent of all imports in 1935.

A great change, on the other hand, has occurred in the composition of consumers' imports; food, drink and tobacco have increased at the expense of manufactured goods. Imports of the former were only



15.4 per cent of all imports in 1935 as against 26.0 per cent in 1946, whereas imports of the latter declined from 20.5 per cent to only 9.6 per cent.

The following figures indicate imports of some important commodities in 1946 compared with annual averages for the five year period 1934—1938:

	1934—38 Metric tons	1946 Metric tons
Rye (grain)	46,227	156,129
Wheat (grain)	49,605	96,419
Raw coffee	20,602	3,736
Sugar	93,412	32,498
Raw tobacco	3,395	1,958
Oilcakes and groats ...	7,180	11,260
Raw cotton	13,604	8,518
Wool	2,665	1,432
Cotton fabrics	2,452	265
Woollen fabrics	1,305	211
Coal and coke	1,650,760	928,861
Sheet iron and steel ...	48,204	32,834
Petrol	97,126	42,329
Automobiles and chassis	5,430 1)	4,483 1)

TRADE WITH DIFFERENT COUNTRIES.

The list of countries with which Finland had commercial relations in 1946 comprises all the leading trade countries in the world and further many of Finland's other pre-war trade partners. Imports and exports were divided as follows between the principal countries the country of import indicating the land in which goods were purchased, the country of export the land to which goods were sold:

	Imports Mill. mk (cif)	Commercial exports Mill. mk (fob)
Great Britain	5,193.7	6,163.9
Soviet Union	5,187.6	4,626.6
U.S.A.	4,737.3	1,587.7
Denmark	2,505.3	2,566.2
Sweden	2,432.5	2,164.4
Belgium—Luxemburg ...	1,403.7	1,676.6
France	619.4	869.6
Netherlands	436.9	727.8
Norway	645.6	550.8
Argentina	213.2	501.9
Brazil	439.3	161.1

In 1945 Sweden occupied the leading position in the foreign trade of Finland, and only three more countries, viz. the Soviet Union, Great Britain and Denmark, were of major importance as trade partners. Now the number of such countries has increased to six, since also the U.S.A. and Belgium—Luxemburg have clearly distanced the rest. The most distinctive feature in the present distribution of trade as compared with pre-war times is the prominent position occupied by the Soviet Union. Since 1935 imports from that country have risen from 3.0 to 21.4 per cent of all imports, the figures for exports being 1.1 and 20.1 per cent respectively. It is true that imports from the Soviet Union now include goods of Polish and German origin such as coal and potassium salts, but this fact alone does not explain the whole rise as the goods of Russian origin represent a value of no less than 3,328.9 million marks. Hereby the conditions are restored that prevailed before

1) Number of units.

the first World War when Russia was also second in the foreign trade of Finland.

PROSPECTS FOR THE NEAR FUTURE.

The above has no doubt made it clear that Finland's export industry has not nearly reached the pre-war level of production. The recovery has been delayed by shortage of labour, by lack of foreign raw materials and machinery, and partly

also because of reduced supplies of energy. The output is expected to rise in 1947, and thereby importing possibilities will also improve. It is estimated that the value of imports, which was 180 million dollars in 1946, this year will exceed 235 million dollars, including purchases against various foreign credits. This would mean that the volume of importation in 1947 will be at least two thirds of what it was before the war.

ITEMS.

The Diet. The four and a half months long Spring Session ended on June 18th. Of the questions treated during the Session, the two supplementary budgets were the most important in economic respect. The first one, in April, was caused by the raised salaries of civil servants the additional expenditure amounting to 3,222 million marks. The second budget, in June, with an additional expenditure of 4,271 million was mainly due to the compensation for the property lost in the war and to reconstruction and also in part to the transference of former German assets to the Soviet Union, referred to in the preceding issue of this Bulletin. According to the second budget the additional incomes are about 2 million marks.

*

Bank rates. On June 5th the Supervisors of the Bank of Finland on the suggestion of the Board of Management, decided to raise the bank rates by one half of one per cent. The decision was motivated by the fact that the tight money market has forced the commercial banks step by step to raise the loan rates thereby increasing their difference to the rates of the Bank of Finland. The previous bank rates, 4-5 per cent, had been in force since December 3rd, 1934. Henceforth the Bank charges the following rates.

	%
For discounting purely commercial bills at not more than three months' date	4 ½
For discounting other bills according to the nature and the date of bills	5-5 ½
For granting mortgage loans and advances on cash credit according to the nature of the security	4 ½-5 ½

*

New foreign credits. In May the United States Office of the Foreign Liquidation Commissioner has granted the Finnish State a new credit of 10 million dollars for the purchase of surplus property of the United States Army. According to the credit agreement redemption takes place in 25 equal annual instalments, the first one to be paid in July 1952. The rate of interest is 2 ¾ per cent or the same as for the two similar credits previously received for the same purpose and referred to in earlier issues of this Bulletin (Nos. 1-3, 1946 and Nos. 4-6, 1946). In other respects too the terms of the new credit are basically the same as those of the two former ones.

As stated in the preceding issue of this Bulletin the Export-Import Bank of Washington promised to take part in the financing of exports to Finland by private American exporters. Until the beginning of May the Bank has granted such credits to an amount of 2 ½ million dollars.

*

Lumber works. As in the previous season lumbering showed good results also in the period June 1946-May 1947 in spite of the difficulties at the beginning of the season: lack of man-power and low working efficiency. The following figures indicate the quantities felled and driven out as well as the target set for this season.

	Felled	Driven out	Goal
Heavy trees, 1000 ft ³	331,000	327,000	330,000
Round timber, 1000 m ³	16,700	16,500	16,500
Firewood, etc., 1000 m ³	17,400	17,700	20,000

When compared with the figures for the preceding season (published in Nos. 7-9,

1946 of this Bulletin) it can be seen that the goal (53 million cub. metres in all) was one million cub. metres greater now than one year earlier and that the proportional share of wood for industrial purposes is considerably greater now. About 96 per cent of the felling and 95 per cent of the transportation target was reached, the absolute figures being 50.70 and 50.57 million cub. metres. Only as to firewood the results were relatively weak (87 and 89 per cent respectively).

*

Weather conditions and crop prospects.

The autumn of 1946 was in general propitious for the growth of autumn crops. As the following winter was cold and the quantity of snow was small, the autumn wheat sowings were partly damaged. The summer came late this year and it has mostly been exceptionally dry.

The crop prospects as to rye have been estimated to be a little better than the average, as to autumn wheat about the average.

The following table shows the crop prospects in the middle of June in 1946 and 1947 and in the middle of October 1946. Because the summer was late the estimates are, however, not very indicative. (8 = very good, 7 = good, 6 = above average, 5 = average, 4 = below average, 3 = poor, 2 = almost failure, 1 = failure.)

	1946 October	1946 June	1947 June
Autumn wheat	5.0	4.8	4.6
Spring wheat	4.7	5.2	5.0
Rye	4.2	4.5	5.6
Barley	4.7	5.3	4.9
Oats	4.4	5.0	4.9
Hay	4.5	5.5	4.2

*

Forest trade. The Diet has rejected the proposal concerning the prolongation of the obligatory deliveries of fire and paper wood. Thus, after the termination of the law concerning the safeguarding of wood deliveries on June 1st, forest trade became free of all control. The home prices of wood products are, however, controlled still.

*

The merchant fleet. In August 1945 the merchant fleet was smaller than since

the end of World War I but it has subsequently increased step by step. At the end of May this year the number of registered vessels was 555 as against 471 in August 1945 (333,113 and 257,176 gross reg. tons respectively). In addition to these, several vessels not yet registered have been bought in the last few months. During the first quarter the Currency Committee for Vessels recommended the purchase of 43 vessels, 27 of which have been bought by now. The Committee has aimed at concentrating the purchases to types of tonnage the shortage of which is greatest. Thus 3 great tank vessels have been bought (over 10,000 tons d. w. each); in recent years Finland has lacked this kind of vessels since the only one was lost during the war. In addition to these, 4 other sea-going vessels and 16 vessels suitable for traffic in the Baltic and North Sea have been bought. — Although the actual tonnage of the merchant fleet is about 400,000 gross reg. tons after the recent purchases (before the World War II 669,400 gross reg. tons), it is still far from sufficient to carry the whole foreign trade of the country.

*

Motor vehicles in use. In the beginning of this year the number of motor lorries in use was 22,288, buses 1,563 and cars 9,278. The corresponding figures for 1939 — 19,609, 3,160 and 29,002 — show that the number of lorries is greater now than before the war. The transport capacity of the lorries is nevertheless lower now mainly because of the higher average age of the lorries in use. In addition to this, the effective use of motor vehicles is hampered by the difficulties of obtaining spare parts and especially tyres.

*

Rearrangement of the tables. The figures in Table 20 have been changed in accordance with the new method of accounting the Public Debt. The figures previously given did not include the amounts of State bonds possessed by various State Funds. As they are now included, Funded Internal Debt, Total Internal Debt and Total Public Debt (and, of course, Total Public Debt in United States Dollars) have increased. On the other hand, bonds that

have fallen due, but have not yet been redeemed are given as Short-term Credit and not as Funded Debt as previously. Further a certain group of medium-term internal credits has been transferred from the Short-term Credit to the Funded Debt the former indicating now the amounts of sight liabilities only.

*

The publications of the Bank of Finland. In the Series B of „Suomen Pankin taloustieteellisen tutkimuslaitoksen julkaisuja — Publikationer utgivna av Finlands Banks institut för ekonomisk forskning” (Publications issued by the Institut for Economic Research of the Bank of Fin-

land) the following new publications have been issued:

6. Heikki Valvanne, Yhteisöjen verotus Suomessa vuosina 1938—1945 (Taxation of Corporations in Finland in 1938—1945). Helsinki 1947, 105 p.
7. Yngvar Heikel, Industrins utveckling i Finland åren 1937—1944, en undersökning på basen av företagens bokslutssiffror (Development of the Industry of Finland in 1937—1944, a Research on the Basis of the Balances of the Industrial Companies). Helsingfors 1947, 158 p., summary in English.

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**THE BANK OF FINLAND
 MONTHLY BULLETIN**

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Helsinki (Helsingfors), Finland.
